

The Role of Public Administration in Alleviating Poverty and Improving Governance

Selected Papers from the Launching Conference of the
**Network of Asia-Pacific Schools and Institutes
of Public Administration and Governance
(NAPSIPAG)**

Edited by

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FOREWORD

In 2002, the Asian Development Bank (ADB) undertook to provide technical assistance to institutions dedicated to educating and training citizens of the Asia and Pacific region in public administration. From the start, it was hoped that they would form an association to encourage the sharing of expertise and good practice, assist one another in the continuing development of public administration theory and practice through research and other initiatives, and foster cooperation and collaboration between and among the members in the pursuit of related and common interests.

The Asian crisis of 1997 had showed us the degree to which this region is vulnerable in its march toward economic growth and development; lack of good public management and related training was thought to have played some role. Strengthening the public service in Asia and the Pacific is key to the region's growth because as countries move towards more liberalized economies, the regulatory function of government becomes more important to their success.

In the different subregions of Asia, we find countries with many similarities, both historic and systemic. For example, Central Asian republics share degrees of linguistic and religious commonality and are characterized often by their Soviet past and overcentralized systems, which continue to hamper their transition to market economies. The countries of the Mekong region are experimenting with mixed political systems that keep political control within the state apparatus while bringing in market elements. In South Asia, extensive moves are afoot to open economies further, in pace with emerging economies in East and Southeast Asia such as Malaysia and Thailand. In each subregion, the similarities militate for some degree of regional cooperation in public administration education in order to capitalize on regionally available capacity and respond to market efficiency. Project-based capacity development should be complemented with the building of indigenous governance/public administration advisory capacity to encourage local and regional solutions to the major deficiencies of public administration in Asia and the Pacific. An educational network can help greatly in achieving these goals.

As part of its mandated role to catalyze greater regional cooperation and the exchange of good practices for development, ADB foresaw a network to address the knowledge management and regional cooperation gap among its developing member countries. Underlying this initiative was the belief

that schools and institutes of public administration in Asia and the Pacific are potentially powerful advisory resources that can strengthen governance and public management. These institutes have the advantage of being locally sustainable and becoming powerful institutional change agents based on their local knowledge, acceptability, and influence.

The experiences of thriving networks in other regions show clearly that part of their accomplishment has been the improvement in the quality of governance through their capacity-building initiatives and their promotion of the highest standards of professional practice in government policy making and administration. Such networks also provide an important means of sharing information about best practices not only in the education and training of government officials, but also about effective government policy and management itself.

Thus, beginning in 2003, ADB has supported the establishment of the *Network of Asia-Pacific Schools and Institutes of Public Administration and Governance (NAPSIPAG)*. NAPSIPAG aspires to be a leading regional cooperation arrangement in Asia and the Pacific that is able to develop strong and capable leaders in public service who can initiate and manage modernization in their respective countries in partnership with the various stakeholders of governance. The December 2004 Conference on which this book is based, which brought together more than 200 participants from government and higher learning institutions representing 26 countries, constituted its launch.

The Conference had three objectives. The first was to put the Network, i.e., NAPSIPAG, in place. The second was to ensure that public administration and policy educators and practitioners of the region could share their experiences. The third concerned learning from innovations in poverty alleviation and good governance that could be used to promote development in general and improve outcomes for the poor in particular.

By the end of the conference, the seeds for NAPSIPAG were planted, an Interim Steering Committee was chosen from among participants to advance it, and the first objective was met.

NAPSIPAG will depend on the sharing of expertise among individuals and institutions across countries and regions, in the hope of making significant contributions to the reform process while honing the capacity of current and would-be leaders. The globalization era, technological revolution, the emerging philosophy of development, all have brought about changes in the role of civil servants. As a result, the demand for skill and competency training programs for those who are destined to become leaders in their several fields is greater than ever; if this demand is not met, civil services in developing countries all over Asia and the Pacific will fall farther

and farther behind. Training institutions are striving to provide the kind of training and education that meets and at the same time anticipates the new challenges being faced by public servants.


To meet the needs of educators and set the tone for cooperation among participating institutions, thus satisfying the NAPSIPAG launching conference's second objective, one workshop session was devoted to the "teaching of public administration and policy." It was felt useful to have a discussion on pedagogy of the public administration discipline with specific reference to Asia and selected papers appear in the book. To meet the third objective, it was decided to take a critical look at the crucial role public administration plays in poverty alleviation through improved governance, and this subject was treated through five workshops.

This book is a compendium of selected presentations representing the six workshops around which the NAPSIPAG launching conference was organized. It is always difficult to choose the most appropriate papers for publication and errors can be made. However, we believe the articles in this book taken together give a flavor of the preoccupations of scholars, public servants, researchers, and students of public administration in the Asia and Pacific region at this time.

Organizing such a conference, bringing people from a wide geography together, and ensuring that they bond around common objectives is never easy. It is important to take this occasion to recognize those who helped us achieve our objectives. The International Association of Schools and Institutes of Administration and its former president, Mr. Allan Rosenbaum; the Network of Institutes and Schools of Public Administration of Central and Eastern Europe and its Executive Director, Ludmila Gajdosova; the Korean Institute of Public Administration and its former director, Yun-Won Hwang; members of the China National School of Administration (CNSA) and especially its Vice President, Yuan Shuhong; the National Association of Schools of Public Affairs and Administration (NASPAA) and Prof. Jeff Straussman, who is the head of its International Education Committee were all instrumental in helping us advance the concept of NAPSIPAG. Additionally and importantly, our very sincere thanks go to senior administrators of Malaysia's National Institute of Public Administration (INTAN), Dr. Zulkurnain Haji Awang, its former director, who had the foresight to see the importance of the Network and extend an invitation to all to come to Malaysia; and the current Director, Dr. Hj. Malek Shah bin Hj. Mohd Yusoff, whose understanding and generosity has ensured that we could hold the conference under ideal conditions. Assistance in the organization of the Conference, in launching NAPSIPAG and in the preparation of this publication by Eden Valmonte-Santiago, Consultant

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Director
Capacity Development and
Governance Division
Asian Development Bank

Introductory Papers

- ▶ PARADOXES OF HUMAN NATURE AND PUBLIC
MANAGEMENT REFORM

COLIN TALBOT

- ▶ POVERTY AND GOVERNANCE

The Role of the State, Good Governance and an Enabling
Policy Framework in Poverty Alleviation in Malaysia

CHAMHURI SIWAR

Paradoxes of Human Nature and Public Management Reform¹

Colin Talbot²

The history of public management reform programs in the last decade of the 20th century was dominated by a single phrase: “new public management” (NPM). Whether writers considered NPM a universal phenomenon or merely a localized trend within Anglo-Saxon states, whether it was seen as a positive or negative development, NPM was the benchmark against which all public management reforms seemed to be compared and judged. Whether or not reforms were judged to be part of NPM, the reform activity was certainly plentiful (Pollitt and Bouckaert 2000).

This article offers a critical evaluation of NPM in the context of developments in the United Kingdom (UK) over the last 2 decades or so. It approaches this evaluation from a very specific perspective: that of what might be called “paradoxical systems theory.” NPM has been analyzed by many as containing fundamentally contradictory aspects (Aucoin 1990, Pollitt 1990, Hood 1991, Ferlie et al. 1996). The paradox-based theoretical framework, it is suggested, helps to explain some of these contradictions and problematics associated with public management reform. While this analysis is based on the UK, it may well apply more widely.

I. Paradoxical Systems Theory and Human Nature

The notion of paradox has emerged in the study of organizations and management in general in the recent past. Academics, practitioners, consultants, and management gurus have all picked up the idea and used it in some more and some less serious ways. Probably the most famous management guru book of the late 20th century, *In Search of Excellence* (Peters and Waterman 1982), contains a brief discussion of paradoxical human nature in which the authors suggest that humans are inherently paradoxical. They suggest, for example,

¹ This article is a substantially amended and expanded version of an article that originally appeared as Talbot, C. 2003. La reforme de la gestion publique et ses paradoxes: l'experience britannique. *Revue Francaise D'Administration Publique* No 105/106. Paris: Ecole Nationale d'Administration.

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that humans crave both autonomy and belonging and as a result have ambivalent attitudes to organizations. Another popular organizational study that also, like *In Search of Excellence*, attempts to identify the important traits of high-performing companies concluded that it was a set of paradoxical behaviors that best characterized such organizations (Collins and Porras 1997). Many other examples can be taken of a developing school of writing on paradox in organizations (Miller 1990, Horton 1992, Felstead 1993, Handy 1995, Harvey 1996, McKenzie 1996, Price Waterhouse Change Integration Team 1996, Cannon 1997, Fletcher and Olwyler 1997, Talbot 1997a).

The most sustained and successful attempt at theorizing the role of paradoxical systems in organizations comes in the work of Robert Quinn, Kim Cameron, and colleagues (Quinn 1988; Quinn and Cameron 1988; Quinn et al. 1996; Cameron and Quinn 1999). In a synthesis of much of organizational theory, they produce a paradoxical theory of both managerial behavior and organizational dynamics. They describe four fundamental, and contradictory, models of human organization: the rational goal model, the internal process model, the human relations model, and the open systems model.

Insofar as this is a simple taxonomy, in a classic two-by-two configuration, it seems fairly comprehensive but little different from other, similar attempts at synthesis. Where their work parts company with most organizational theory is that they see these models not as mutually exclusive “either/or” categories, but as paradoxical “both/and” types. They are mutually contradictory, but nevertheless each may, and usually does, coexist in the same organization with a permanent dynamic tension toward each quadrant of this model.

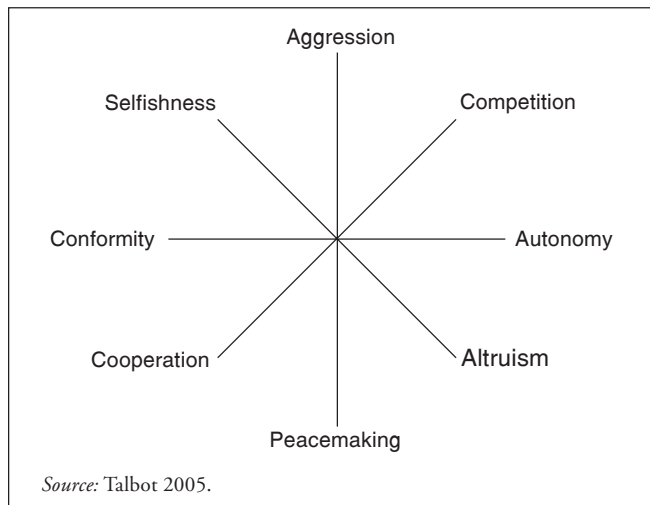
The term paradox here needs to be clearly understood. It does not mean, as is often the case in colloquial usage, something which produces an unexpected or perverse result—for example, efforts at decentralization that result in greater centralization. Paradox in paradoxical systems theory is a sustained, or permanent, contradiction of apparently mutually exclusive elements that nevertheless coexist. It differs from the notion of a dilemma—a choice between contradictory elements—because it suggests such choices are either false or merely temporary. The chosen element (e.g., decentralization) may be achievable in the short term but its opposite (centralization) will continue to exert pressure and may even happen simultaneously (e.g., where operational decentralization and strategic centralization occur [Talbot 1997b]). Similarly, paradox is different from contradiction and synthesis in the Hegelian and Marxist traditions, where contradictory elements (thesis and antithesis) can be resolved through synthesis. Paradox is permanent, irresolvable contradiction.

Where do these paradoxes in human systems come from? We would suggest that they are fundamental to human nature, and their existence in human institutions is merely a reflection of this underlying contradictoriness

in the character of humans (Talbot 2005). Humans evolved as social beings, but of a very particular sort. We, along with a very few other mammals, evolved what have become known as “fission-fusion” societies (Dunbar 2004). That is, while we always live in social groups, these groups vary in size and composition over time. Our human ancestors even had to function completely autonomously for periods of time (e.g., when hunting or gathering). The necessary skills for such flexible, but still mainly social, living arrangements are thus contradictory: humans need to be able to, and indeed want to, function autonomously and simultaneously want to, and must be able to, be part of a group. They may act aggressively toward other humans but they also have to act peaceably. They may be cooperative and competitive at the same time. And finally, they may be both selfish and altruistic. This last point stands in direct opposition to economic theories that humans are always, and everywhere, rational utility maximizers. These ideas are set out in much greater detail in *The Paradoxical Primate* (Talbot 2005). They are represented graphically below.

Human paradoxical instincts are of course not expressed in some simple, deterministic fashion. They are heavily mediated by two other factors: the cultural and institutional context within which individual humans are socialized, and individual humans’ “bounded rationality” (Simon 1957). Bounded rationality denotes human rational decision making constrained by i) imperfect information and ii) limits in processing capacity, and especially of calculating the costs/benefits of different choices. Flowing from Simon’s early work, a whole literature about this notion has now developed, especially the ways in which we actually make decisions, especially via heuristic decision logics.

Figure 1. Paradoxical Human Instincts



It is notable, however, that most, if not all, human institutional arrangements seem to include paradoxical aspects in their structures while, of course, in certain times and places putting more emphasis on one or other aspect. For example, the United States (US) is noted for its supposed “individualistic” culture, but has one of the highest levels of voluntary charitable contributions in the world, while a notably “collectivist” culture like Japan simultaneously has an amazingly individualistic religious culture.

The implication of this “paradoxical primate” hypothesis is that human organizations will always be beset by contradictory pressures and dynamic tensions that are ultimately irresolvable. While there may be prolonged periods of apparent stability (e.g., centralized organizations), these will i) be maintained only by specific efforts (e.g., maintenance of socialization and cultural norms) and ii) will nevertheless always potentially be subject to change. Moreover, because of the often hidden underlying pressures, such change may appear to be of the “tipping point” type—sudden and discontinuous.

Of course, other factors may act as immediate causal agents of change. Technological changes are often cited as such—for example, small batch production techniques displacing mass production lines—triggering the so-called “post-Fordist” trend to decentralization. However, such technological changes are only proximate causes, catalysts, that free more fundamental forces into action. Sufficient examples exist of such technological innovations being absorbed by radically different organizational cultures without producing radical change to see that they are not by themselves determining factors. Certain technologies, like small batch production, distributed low-cost computing power, or the Internet, may favor specific types of organizational solutions—disaggregation, networking, etc.—but they do not determine them. If an existing organizational or institutional culture is strong enough, it will simply absorb these changes within its existing configuration; if not, it may change suddenly and dramatically.

We turn now to apply this approach to changes in public management and specifically use the example of the UK. We develop a simple paradox-based model to try to explicate the often confusing nature of the actual changes which have occurred in the past 20 years or so.

II. Paradoxes of New Public Management

The notion of paradoxical systems has begun, albeit in a small way, to enter into public policy and management analyses (Aucoin 1990; Stone 1997; Newman 2001). Perhaps the most ambitious application has been Janet Newman’s use of the Quinn-Cameron model to analyze changes to governance,

public policy, and public management in the UK under the New Labour Government (Newman 2001).

The approach adopted in this paper is based on the same fundamental premises as the Quinn-Cameron approach but suggests a different set of paradoxes, and hence analytical categories, which seem more appropriate for analyzing public management reforms.

We suggest two fundamental polarities in public management. The first is the paradox between centralization and accountability, on the one side, and decentralization and involvement on the other. Much traditional thinking about bureaucracy and administration assumes models of hierarchy and control through which both choices and accountability are exercised (Fayol 1969). On the other hand, more recent thinking about democratic renewal emphasizes decentralization, participation, and involvement as antidotes to remote and unresponsive public bureaucracy (Behn 2001).

The second polarity is between rational choice in decision making versus judgment and compromise. A recurrent theme in public administration and management has been the need for rational decision making, even if it is only “bounded rationality” (Simon 1957; Carley 1980; Leach 1982). On the other hand, a longstanding tradition has also, in various forms, recommended the role of judgment and compromise in decision making (Lindblom 1959, 1980; Vickers 1983).

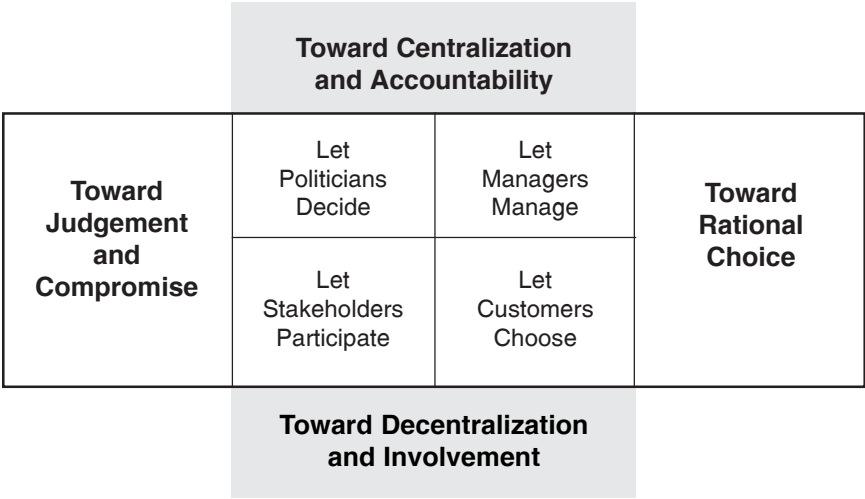
These two paradoxical pairs can be combined in traditional two-by-two fashion. The resulting four “types” can represent the four paradoxical models that underpin the NPM: let the politicians decide, let managers manage, let customers choose, let stakeholders participate (Figure 2).

It must be emphasized that these are *both* contradictory and mutually antipathetic models *and* they often coexist in NPM reforms. We will proceed by giving examples of each type of associated reforms in turn for each model.

A. Let Politicians Decide

Our first model is “let the politicians decide.” The critique of traditional public bureaucracy models developed by public choice theorists was that they had suffered from “producer capture” and politicians had lost their ability to make effective decisions about public services (Lane 1987, Dunleavy 1991, Self 1993). This critique was popularized in the highly successful UK television comedy series “Yes Minister” and “Yes Prime Minister” in the late 1970s (Jay and Lynn 1986). In this series a fictional minister (and later prime minister), Jim Hacker, was frequently outmaneuvered by a caricature senior civil servant, Sir Humphrey Appleby. So influential was this series that the term “Sir

Figure 2. Paradoxes of New Public Management



Source: Talbot 2003.

Humphrey” has entered the English language as a synonym for a senior Whitehall civil servant. Interestingly, this view of the way Whitehall and Westminster work in practice was shared by both the Labour left and the new Conservative right.

The response to this perception of political impotence was to devise mechanisms for putting the political leadership back in charge. In the UK, this was epitomized by the election in 1979 of Margaret Thatcher, who seemed determined to get a grip on the “machinery of government” in a way not seen before (Hennessy 1990). Thatcher was notoriously hostile to the culture and ethos of the civil service, which she saw as both complacent and as often stepping beyond its remit and usurping the power of elected politicians.

A flavor of the battles to come was given by an exchange between a Thatcher political appointee as head of her Policy Unit (Sir John Hoskyns) and a former senior civil servant (Sir Douglas Wass). Hoskyns published an article arguing for the political appointment of around 20 senior managers in each Whitehall department (somewhat along US lines) as a way of achieving political control over the civil service (Hoskyns 1983). Wass hit back with a traditional defense of the need for an objective and dispassionate civil service (Wass 1983). This exchange reflected the difficulties faced by Thatcher and her supporters in pushing through radical reforms against a Whitehall bureaucracy enmeshed in the “post-War consensus” and wedded to interventionist and corporatist policies that Thatcher was determined to reverse.

The first, and most famous, initiative aimed at weakening the civil service was the Prime Minister's drive for "efficiency" in Whitehall led by Sir Derek Rayner, a businessman brought in to the center of government and working directly for Thatcher (and appointed within only a couple of days of her election victory). Rayner initiated the famous "efficiency scrutinies" with the full backing of the Prime Minister to drive through changes (Metcalf and Richards 1987). This was the first of a series of initiatives that were not simply aimed at "efficiency" but at fundamentally weakening the civil service by reducing its numbers and promoting mechanisms to reinforce the role of ministers. An immediate target of reducing civil service numbers from 732,000 to 630,000 by 1984 was set, a target that was exceeded (Theakston 1995).

More specific systemic changes also began to emerge over the duration of the Thatcher and Major governments (1979–1997). The first were various attempts at creating ministerial information systems that would give them greater control over their departments and civil servants. The early champion of this idea was Michael Heseltine, who introduced just such a system (called MINIS, for Ministerial Information System), first at the Department of Environment and later at Defense. While many other ministers were less enthusiastic than Heseltine and Thatcher about this "minister as manager" model, gradually the idea was spread throughout Whitehall (Theakston 1995).

A second piece of new technology for ministerial control was the "Next Steps" initiative to create semiautonomous executive agencies within the civil service. Eventually more than 140 of these bodies, including around 80% of civil servants, were created (Goldsworthy 1991, Chancellor of the Duchy of Lancaster 1997). An essential feature of the new agencies was that the agency chief executive would report directly to ministers. The latter would also approve agency "framework documents" (a sort of mission statement and constitution), business plans, budgets and key performance indicators. Ministers received at least quarterly reports and conducted annual appraisals of agency performance. This was, in theory at least, a decisive shift of power from senior civil servants to ministers. Whether or not it worked as suggested is another matter (Talbot 2003).

This push toward greater control by ministers has continued under the Blair governments (1997 to date). The number of "special advisers" (ministerial appointees who are not civil servants and work directly for ministers) has roughly doubled. This has been widely seen as an attempt to strengthen the position of ministers as against civil servants. Unlike under Thatcher and Major, the majority of New Labour government members have been seen as very "hands-on," activist ministers very similar in approach to Michael Heseltine.

This approach is most clearly symbolized in the new system 2-yearly "Spending Reviews" and "Public Service Agreements" introduced by New

Labour in 1998. This new system can be seen as an attempt by the new Government to introduce a much more strategic and politically driven reform process, as set out in a number of government documents (Chancellor of the Exchequer 1998a, 1998b; Prime Minister and the Minister for the Cabinet Office 1999).

Another recent example of attempts to put politicians more forcefully in charge has taken place at the local government level. Here the reform has been the introduction of either “cabinet”-style government or of directly elected mayors, or both, as a way of strengthening the role of local political leadership.

All of the above changes, which are just examples, show an ongoing attempt to “let the politicians decide” as against permanent officials.

B. Let Managers Manage

Our second model is “let the managers manage.” Whereas the previous model emphasized the contest for power between politicians and bureaucrats, this model emphasizes the contest between managers on the one hand and staff, professionals, and especially their representative bodies (trade unions and professional associations), inside public services.

This argument is also, to some degree, driven by “public choice” ideas about “producer capture,” but its focus is obviously different. This argument suggests that one of the key problems for public services is that they become enmeshed in “red tape”: bureaucratic rules that stifle management and staff initiative and place obstacles in the way of efficiency and flexible service delivery, responsive to customer needs. A subtheme of this argument is that public sector trade unions and professional bodies have become far too powerful and steps need to be taken to reduce this power.

The most common devices employed to enable managers to manage have been decentralization and the creation of more autonomous units. Thus, for example, the National Health Service (NHS) was broken up into hundreds of NHS Trusts, schools were offered “local management,” the civil service was reorganized into dozens of “executive agencies,” further and higher education colleges were separated from local government and made autonomous, and so on. Alongside these structural changes came attempts to decentralize management functions such as finance and personnel and make “line management” more accountable. At the central government level, this included the financial management Initiative (early 1980s), decentralization of pay and grading arrangements (late 1980s–early 1990s), introduction of various business planning initiatives and resource accounting (1990s), etc. (For general accounts of these changes see, for example, Rose and Lawton [1999], Flynn [2002]).

On the industrial relations front, the whole period of the Thatcher and Major governments saw a series of attempts to curb public sector pay (largely successful) and change working practices (with much more mixed results). In education, a prolonged fight was waged to bring in a national curriculum, national standardized testing of pupils, and a more rigorous form of inspection of schools and teaching practices, as well as the creation of schools as more autonomous units. At one time or another most groups of public sector workers were subjected to specific reform attempts, aimed (in part) at strengthening management authority, as well as general controls over pay (Farnham and Horton 1996, Thain and Wright 1996).

Perhaps the longest-running, and still unresolved, battle between management and professional and trade union power has been within the health service. Attempts at managerial reform in the 1980s clearly failed, and the introduction of NHS Trusts and the internal market in the early 1990s was about both competition and an attempt to strengthen management against professionals (especially doctors) and the trade unions (Pollitt et al. 1998). It was not until the New Labour Government that a direct attempt was made to substantially change the contract of hospital doctors and give hospital managers a much greater power to direct them—a contest that is still unresolved.

All of these attempts had common themes: strengthening the power of managers over staff and professionals; delegating greater powers to managers over budgets, organization and personnel issues; creating more clearly delineated organizational units, tasks, and budgets; and holding managers to account for their and their organizations' performance.

These reforms proved difficult to implement and sustain, and not merely because of the obvious resistance of staff and professional groups to encroachments on their autonomy and rights. The problems also proved to be systemic: reluctance of the center (especially the Treasury) to genuinely "let go" of centralized controls and the reluctance of managers themselves to take responsibility for things that in the past they could push off onto other functions (e.g., difficult individual personnel decisions could be "delegated" to the personnel function) (Bell et al. 1995, Talbot 1997b).

An example is the way Treasury controls over pay and grading systems and actual pay settlements were replaced by delegation of both, in many cases, to line departments and agencies. However, the Treasury, at the same time as this process began (mid-1980s), introduced very tight controls over "administrative" costs (later renamed "running costs")—that is, the amount of money each department could spend, in total, on staffing and other "overheads." The result was what could be best described, not as "decentralization," but as "strategic centralization" and "operational decentralization." These changes actually strengthened the Treasury's control over the total pay costs of the civil

service because in the past operational decisions, such as how many and which staff to place in specific grades, caused what was called “grade creep” and thus pay cost expansion. Even controlling staff numbers did not prevent this problem—but putting a cap on total staffing expenditure did. The line managers in departments and agencies could decide how this money was distributed, but they effectively lost control over the strategic issue of what their total pay costs would be.

C. Let Customers Choose

The third model of NPM is the marketization variant: let the customers choose. This model essentially makes two assumptions: first, that competition mechanisms are preferable to bureaucratic means for decision making and resource allocation within publicly provided services; second, where possible this should be achieved through privatization of services, but where it is not, and despite these remaining publicly provided, a variety of ways are found in which “market-type mechanisms” (MTMs) can be introduced into them.

Privatization was the first option and this was applied by the Thatcher Governments, first of all to council (public) housing and then, from their second term in office onward, to a wide range of publicly owned businesses and utilities. In the case of businesses operating in competitive marketplaces but publicly owned, little change occurred from a customer’s perspective—their products were already competitive and subject to consumer choice (e.g., British Airways, British Steel, British Leyland [cars]).

For public utilities (telecommunications, water, gas, electricity, railways), the position was somewhat more problematic. Privatization by itself would also make little difference to customers’ choices, as these were mostly “natural monopolies” in which the barriers to entry for competitors were prohibitively high (although in some cases changing, e.g., telecommunications). Two solutions were adopted: the privatized industries were subjected to enforced competition, usually among themselves (e.g., gas, water, electricity and—most controversially—railways) and/or they were subjected to regulators charged with curbing their monopoly powers until competition could be created.

Straightforward privatization proved much more difficult in “social policy” areas (health care, welfare, education, etc.). Here the most common reform tried has been to introduce “internal markets” or MTMs (Le Grand and Bartlett 1993, Taylor-Gooby and Taylor-Gooby 1993; Wistow et al. 1994, Walsh 1995). These mechanisms were intended to increase customer choice, but it rarely turned out to be quite so simple. The health care reforms of the early 1990s, symbolically entitled *Working for Patients*, turned out to be more “bureaucrats

and doctors working as proxies for patients.” Patients actually were given no direct choice in the new NHS internal market that was created. Instead, either District Health Authorities or, in a minority of cases, general practitioner “fund holders” acting as purchasers on behalf of patients, contracted with the new NHS Trusts, the providers. Patients had no direct say or choice in what care they received.

In some other areas, such as schooling and universities, considerably more choice was available for users of these services, but this was hardly new and the changes were fairly minor.

The really radical proposal for customer choices in public provision had been promoted by the New Right: the use of “vouchers” as equivalent to money by consumers. These were widely advanced as a device whereby consumers could take their resources with them when they “chose” a provider, whether in the public, not-for-profit, or private sectors (Flynn 1993, Self 1993). While these solutions were widely discussed, few examples exist in the UK of their implementation. There is an element of university students taking their state funding with them to the university they choose, but the competition for total resources received by any one university is heavily regulated through the University Funding Councils, which set targets for student intake for each university and subject area. Universities that either underrecruit or overrecruit suffer financial penalties, so this is hardly an open competitive market (although there is a substantial degree of student choice, but this always existed). In other areas, most notably school education and health care, the intense discussions during the early Thatcher governments about vouchers produced no action.

With neither “internal markets” nor “vouchers” really succeeding in providing a mechanism for “letting the customer choose,” the Major Government came up with a new idea: the Citizens’ Charter (Pirie 1991, Prime Minister and Chancellor of the Duchy of Lancaster 1991). If consumers could not have the right to choose, they could still have rights—over timeliness of service delivery, quality, rights to complain and seek redress, etc. The Charter program was rolled out through the central Government and its agencies (e.g., Taxpayers Charter) as well as the NHS (Patients Charter) and even into the privatized sector (e.g., gas and water). Alongside the various charters as statements of consumer rights in public services came a new “Charter Mark” award for supposed good quality service. This was as an annual, competitive award with a fixed number of possible winners (although it later mutated into a standards-based award). It has to be stressed that neither the Charters nor the Charter Marks implied any change in the amount of choice available to users of services.

D. Let Stakeholders Participate

The fourth model of the NPM could be summarized as: all of the above and a few more. This is the idea that public services are pluralistic in their sponsors, providers, and users and complex in their operation, and therefore have to be “managed” more as networks or constellations of stakeholders, rather than in the principal interests of any one group (i.e., politicians, managers, customers, or others). As an idea, it has only really emerged in the UK at central government level since 1997, although elements of it existed prior to that at lower levels of government (Ferlie et al. 1996).

The intellectual origins of this perspective come from ideas about post-Fordist social forms, globalization, and the increasing complexity of modern societies, policy networks, and networked forms of governance, etc. (e.g., Maidment and Thompson 1993, Foster and Plowden 1996, Mulgan 1997, Weller et al. 1997, Thompson 2003). On a more pragmatic level, they have emerged from frustrations with failing policies and initiatives and what has become known in the UK since 1997 as the “joined-up government” problem (Pollitt 2003).

This approach has resulted in a distinct shift in policy and practice since 1997, although evidence of it emerged before that. In local government, in particular, numerous attempts were made to develop varieties of stakeholder participation dating back to the 1960s and 1970s, although these had been criticized by some as a form of corporatism (Cockburn 1977). The more modern version of this approach, which also linked into other NPM themes, was the new “local governance” agenda, which advocated various types of staff, user, citizen, and civil society involvement in local decision making (Hoggett and Hambleton 1987, Stewart and Stoker 1988, Clarke and Stewart 1991, Isaac-Henry and Painter 1991). Indeed, in the late 1980s a whole new movement in local government was inspired by *In Search of Excellence* and its themes about stakeholder involvement, cultural change, and customer orientation (Clarke and Stewart 1985, 1986a, 1986b, 1987, 1991; Rhodes 1987, 1987b).

Even in the central Government, which had been largely dominated by the first three variants of NPM, examples existed of wider stakeholder consultation, but these were contrary to the main trend, which was to eliminate many of the consultation processes formalized during the post-war period. For example, Thatcher early on abolished the National Economic Development Council and similar consultative bodies.

The New Labour Government sought consciously to reverse this trend in central Government. Numerous consultation exercises and reviews were established in the first couple of years of the new Government. Since then, this new, more consultative approach has been implemented at various levels. Most

formally, this has been done at local level with requirements on local government and others to formally consult with other public organizations, civic society, and the public on a whole range of issues such as policing, health care, and economic development (Marsh et al. 2001, Richards and Smith 2002).

III. Summary: Tides of Change

In a fascinating study of the history of reform efforts in the US federal Government, Paul Light discerns four “tides of reform.” These were “scientific management,” “war on waste,” “watchful eye,” and “liberation management” (Light 1997). He goes on to analyze how these four tides have ebbed and flowed over decades and how they are subjected to various “gravitational pulls” that keep them circulating just like tides in the sea.

In this sense, like our paradoxical models of NPM, these tides are contradictory but often exist simultaneously, even within the same reform agendas. An example might be the creation of executive agencies in the UK civil service that can be shown to contain all four of our paradoxical models. (For accounts of the agency developments see for example Goldsworthy [1991], Greer [1994], Talbot [1996b, 2004], and Lewis [1997]).

The new executive agencies were created in part to give politicians more power. By setting the framework documents, the budgets, the key performance indicators, etc., directly for agencies, ministers could bypass the traditional Whitehall management chain, giving them much more direct power over these new organizations. Agency chief executives reported directly to ministers: this was “let the politicians decide.”

Agencies also were aimed at creating spaces in which “managers could manage.” Over a period of time they received extensive delegations of power over organizational, operational, financial, and personnel issues. Alongside these went a (weak) form of performance contracting: the idea was that managers would be given much greater autonomy and authority in exchange for producing specific outputs that satisfied their political “owners.”

But agencies were also meant to be much more focused “downward” or “outward” toward customers. In the case of agencies delivering services directly to the public, this meant changing the way services were delivered, improving their quality, and (after 1991) setting clear customer service standards through charters. In many cases enormous efforts were indeed made to find out what customers (users) wanted and satisfy their requirements, at least about how services were delivered if not the content of the service (e.g., how quickly and accurately benefits were assessed as opposed to how much benefit an individual was to get). Where agencies produced services for other government

departments, and/or where they were paid for by customers, the agency was expected in most cases to become more competitive as well as customer oriented. Those with genuinely commercial services were converted into self-financing “trading fund” agencies and subsequently, in most cases, privatized.

Finally, agencies were also encouraged not merely to see themselves as service delivery organizations to well-defined groups of customers, but to recognize that they had multiple stakeholders and networks of partner organizations. Thus, for example, the former Employment Service began to hold annual consultations about its “Performance Plan” with a wide range of stakeholder groups (employers, unemployed organizations, charities, and lobbyists).

These four aspects of the agency initiative were clearly contradictory and these contradictions sometimes surfaced as crises and dysfunctional systems.

The dismissal of the Director General of the Prison Service (an agency) over a couple of high-profile prisoner escapes revealed a major clash between the politicians’ right to decide and the managers’ right to manage (Public Service Committee 1996, Talbot 1996a). In this case the dispute revolved around definitions of the split between “policy” (politicians) and “operational” (managerial) decisions. Since the party with the real power to decide was the politicians, the definition adopted was one that suited their interests, and it was the manager who was dismissed, not the politician.

A more systemic example was the proliferation of mechanisms for “steering” the new executive agencies (Public Administration Select Committee 2003). Here the lack of clarity between the roles and powers of politicians, managers, customers, and to some extent even stakeholders added to multiplying steering apparatuses. For example, in many cases objectives and targets set by agency managers themselves clashed with those developed by ministers, which in turn clashed with objectives set in charter statements about customer services standards.

The most recent systemic example is probably the debate over performance targets. Most of these have been set centrally by politicians, but there have been constant appeals (mostly from managers) either to allow managers to set their own targets or to substitute some form of customer-based competition for targets (Prime Minister and Minister for the Civil Service 1994, 1995).

In their work on organizational and managerial paradoxes, Quinn, Cameron, and their colleagues suggest that such paradoxes can have both positive and negative consequences. The worst cases are where organizations or managers seek to use paradoxical styles or systems in haphazard and inappropriate ways, generating destructive conflicts. Mediocre or moderate success can sometimes be achieved by selecting one particular approach and

sticking to it and simply trying to ignore contrary pressures. High performance, they suggest, comes where organizations and individuals can accept and work with contradictory systems and make paradoxical decisions in ways that generate creative tensions. In the move from worst to excellent, one of the crucial factors is full awareness of the paradoxical nature of the systems being managed. But as Brunsson has shown, most organizations excel at what he calls “organizational hypocrisy,” that is, creating rational and rationalized “stories” about how things happen, denying paradox and contradiction (Brunsson 1989).

If we were to characterize the NPM reform movement in the UK over the past 20 years, it would have to be called systematic “policy hypocrisy.” All the obvious paradoxical and contradictory elements of these reforms have been rationalized away in sophisticated policy statements. Indeed, the British civil service can in some ways be seen as the best possible place to carry out “policy hypocrisy,” with their legendary skills at “finessing” policy statements. It was perhaps no accident that the only major comprehensive statement of civil service reform strategy of the 1990s should have been called “Continuity and Change.” It would be a mistake to think this represented a conscious understanding of the tensions and paradoxes of the various change agendas being pursued. On the contrary, it was a very urbane attempt to rationalize away such troublesome facts and suggest that the reform policy was all very rational and devoid of contradiction.

The reality is that the paradoxes explored in this short paper are very real and are relatively permanent. The tensions between “politicians decide,” “managers manage,” “customers choose,” and “stakeholders participate” will not go away. The only real issue is how best to manage these contradictions. A first, small, step would be to acknowledge their existence.

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Poverty and Governance: The Role of the State, Good Governance, and an Enabling Policy Framework in Poverty Alleviation in Malaysia

Chamhuri Siwar¹

I. Introduction

Poverty is still a serious issue facing the developing economies. According to the World Bank *World Development Report* (1990), “the most pressing issue facing the development community: how to reduce poverty.” The World Bank *World Development Report* (2000/2001) stated that “Poverty amidst plenty is the world’s greatest challenge.”

The global picture of poverty is not encouraging. In 1998, out of 6 billion people, 1.23 billion (21%) live on less than US\$1 per day, 2.8 billion (47%) live on less than US\$2 per day. Between 1965 and 1998, the average income has doubled in developing countries, but widening global disparities have also increased the sense of deprivation and injustice for the poor. Globalization is expected to burden the poor more than the nonpoor.

The development paradigm has seen growth as the primary means of reducing poverty and improving quality of life. Reliance has been placed on market forces and the “trickle down” process to achieve this aim. However, the phenomenon of “market failure” has placed emphasis on the role of government as the key determinant in poverty alleviation. But governments too are burdened by expenditure deficits and inefficiency. Hence, some countries have relied on a mixed-economy approach, emphasizing partnership between the role of the market and government intervention in poverty alleviation. The debate has since moved to the importance of good governance and good coordination between government and the market (World Bank 1997).

Since the 1990s, poverty alleviation and equitable income distribution form one of the major aims of most governments. The 1990s have also seen marked intensification of the process of globalization. Globalization has led to the convergence and coordination of national and international policies. The impact of globalization has generally marginalized the poor and also increased

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poverty and income inequality. For example, the 1997–1998 financial crisis devastated and impoverished millions of poor and vulnerable men, children, women, and families.

II. Status of Poverty in Malaysia

Generally, poverty is defined as the inability to meet basic needs as measured by income or consumption. Poverty and standard of living are closely linked. Poverty may be visible as shown by several indicators, such as lack of control over resources, lack of education and skills, lack of shelter, lack of access to clean water and sanitation, poor health, malnutrition, vulnerability to shocks, violence and crime.

In Malaysia, poverty is measured by the poverty line income (PLI), which states the minimum level of income or consumption expenditure based on human basic needs, such as food, clothing, shelter, basic services such as education, health care, transportation, recreation, and culture. A household is considered poor if its income or consumption falls below the officially determined PLI (Table 1).

Table 1. Components of Poverty Line Income, 1997–2002
(%)

Expenditure Components	Peninsular Malaysia		Sabah		Sarawak	
	1997	2002	1997	2002	1997	2002
1. Food	62.1	65.5	60.0	53.8	57.8	61.2
2. Clothing and Footwear	7.7	5.6	6.0	4.7	6.6	5.1
3. Other expenditures	25.5	24.1	39.2	36.8	30.8	28.9
a. Rent, Fuel & Power	13.2	12.7	23.1	20.7	8.9	7.9
b. Furniture & Household Items	2.3	2.0	2.9	2.6	3.1	2.8
c. Health & Medical Treatment	1.2	1.3	1.1	1.1	6.1	6.0
d. Transportation & Communications	6.8	6.3	9.0	9.2	8.9	8.7
e. Education, Recreation & Culture	2.1	1.9	3.2	3.1	3.9	3.6
4. Safety Margin (5%)	4.8	4.8	4.8	4.8	4.8	4.8
Total	100.0		100.0		100.0	

Source: Malaysia Plan (various years).

Table 2 shows the level of PLI in the years 1990–2002. The PLI is revised regularly to reflect changes in the cost of living and also differences in regions. In 2002, the PLI was set at RM529 for a household size of 4.6. Hardcore poverty (the very poor) is defined as households with incomes less than 50% of PLI (e.g., RM264.5 in 2002). Beginning with Outline Perspective Plan 3 (OPP3), the low income household measure of RM1,200 per month was introduced as the level of eligibility for government support programs, aimed to improve the income and quality of life of the bottom 30%. In addition, the Physical Quality of Life Index (PQLI), which measures the quality of life or standard of living based on composite indexes of accessibility to amenities and standard of living, is used to complement the use of PLI.

Table 2. Poverty Line Income, 1990–2002
(RM/month)

Region	1990	1995	1999	2002
Peninsular	370	425	510	529
Malaysia	(185)	(212.5)	(255)	(264.5)
Sabah	544	601	685	690
	(272)	(300.5)	(342.5)	(345)
Sarawak	452	516	584	600
	(226)	(258)	(292)	(292)

RM = Malaysian ringgit.

Note: Figures in parentheses are PLI for hardcore poor. Household size has decreased between 1990 and 2002 from 5.1 to 4.6 for Peninsular Malaysia, 5.4 to 4.9 for Sabah, and 5.2 to 4.8 for Sarawak.

Source: Malaysia Plan (Various years).

III. Enabling Policy Framework for Poverty Alleviation

In Malaysia, the enablers for effective poverty alleviation may include the role of the state in poverty alleviation, good governance, an effective delivery system, and direct targeting and participation.

A. The Role of the State

The state has a major role to play in poverty alleviation. In Malaysia, poverty alleviation has been a major policy thrust in its development plans, as evident in the New Economic Policy (NEP, 1970–1990), National

Development Policy (NDP, 1991–2000) and National Vision Policy (NVP, 2001–2010). Poverty alleviation has been a major thrust in these policies, receiving strong policy, institutional, and budgetary support at the federal, state, and local level. Implementation of these policies is detailed in the 5-year development plans, from First Malaysia Plan (1965–70) to Eighth Malaysia Plan (2001–2005).

Strong policy support is embedded in pragmatic policies (Chamhuri 2000) the state has to make to include

- i) Interventionism, affirmative action, and positive discrimination policies and strategies to assist the indigenous population and correct economic imbalances between the ethnic composition of the population. This has been entrenched since the NEP, in the aftermath of a bloody racial riot that identified poverty among the indigenous population and economic imbalances as the root cause.
- ii) Balancing market-driven and interventionist policies and strategies. In addition to the role of government as facilitator, this policy includes giving emphasis to the role of the private sector as a partner in the development process and also in meeting the redistributive objective of government policies. In this way, the Government has to balance growth and redistribution policies and strategies, so as to attain growth and poverty alleviation, in which Malaysia has achieved a reasonable degree of success (see Table 3).

Another feature of the role of the state may be seen in the budgetary support for poverty alleviation. In Malaysia, government expenditure for poverty alleviation has been high throughout its 5-year development plans, averaging 24–37% (see Table 4). During the NEP era (1971–1990), expenditures for poverty alleviation, except for the period of the Fourth Malaysia Plan (1981–1985), which coincides with the recession years of the 1980s, exceeded 30%. The Fifth Malaysia Plan period, which marked the end of the NEP era, saw the largest percentage of expenditure for poverty alleviation. The Sixth, Seventh, and Eighth Malaysia Plan periods saw a reduction in the percentage of expenditure for poverty alleviation; nevertheless it still formed a respectable percentage of more than 25%. The government expenditure for poverty alleviation is mainly for agriculture and rural development, social and infrastructure projects.

Table 3. Relations between Growth and Poverty Alleviation, 1970–2002

Year	GNP Growth (%)	Poverty Incidence (%)	Comments
1970	5.0	49.3	Beginning of NEP era, low growth and high poverty incidence
1980	7.4	37.4	Mid-NEP era, export-led industrialization, changing economic structure propelled economic growth, followed by significant poverty reduction
1985	-0.1	20.7	World recession, negative growth, damper on poverty alleviation
1990–1997	9.1 (average)	16.5 (1990)	Era of robust economic growth followed by significant poverty reduction, focus on eradication of hardcore poor
1997	7.5	6.8	Financial crisis, damper on poverty alleviation
1998	-7.4	8.0	Negative growth. Poverty incidence increased due to financial crisis of 1997–1998
1999	6.1	7.5	Economy rebounded after financial crisis, slower impact on poverty alleviation
2002	4.1	5.1	Low growth, slower impact on poverty reduction. Focus on addressing pockets of poverty and reducing relative poverty.

GNP = gross national product.

Source: Compiled from Various Five-Year Malaysia Development Plans.

Table 4: Expenditure for Poverty Alleviation, 1971–2005

Malaysia Plans	Development Expenditure (RM million)	Expenditure for Poverty Alleviation (RM million)	% of Development Expenditure
Second Malaysia Plan (1971–1975)	7,415.0	2,350.0	31.7
Third Malaysia Plan (1976–1980)	21,202.0	6,373.4	30.1
Fourth Malaysia Plan (1981–1985)	46,320.0	11,238.5	24.3
Fifth Malaysia Plan (1986–1990)	35,300.0	12,970.4	36.7
Sixth Malaysia Plan (1991–1995)	54,705.0	13,900.8	25.4
Seventh Malaysia Plan (1996–2000)	67,500.0	16,084.8	23.8
Eighth Malaysia Plan (2001–2005)	232,442.0	62,918.2	27.1

RM = Malaysian ringgit.

Source: Various Five-Year Development Plans.

B. Good Governance

Governance is related to the activities of government, defined as the manner in which power is exercised in the management of the country's economic and social resources for development. The components of governance include public sector management, accountability, the legal framework, and transparency.

Good governance is characterized by open and enlightened policy making, with sound economic management based on accountability, participation, predictability, and transparency. In Malaysia, good governance is reflected in improved public sector management, sound financial management, and public sector reform. In Malaysia, efforts to promote good governance have come through improvements in the public delivery system to make it more transparent, efficient, and accountable.

The public sector's attempt to enhance the efficiency and effectiveness of its administrative machinery is a continuous and serious process. Its seriousness is reflected in the fact that a special chapter entitled "Administrative Improvements for Development" was slotted into the Seventh Malaysia Plan (Government of Malaysia 1996) and Eighth Malaysia Plan documents

(Government of Malaysia 2001). In the 1990s, major efforts were made to institutionalize the culture of excellence, not only in the structure and systems of administration, but also through a paradigm shift in the values and mind-set of public sector personnel. Much effort was put into improving the efficiency and effectiveness of the public sector to enable it to make a meaningful contribution toward national socioeconomic development. New initiatives/reforms included a major shift toward a more proactive and customer-focused management paradigm, enhancement in the quality of service and effectiveness of the delivery mechanism, and strengthening of the working relationship with the private sector. The public sector reform programs included i) quality management, ii) implementation of the client's charter, iii) innovations, iv) provision of quality counter services, v) improvements to systems and work procedures, vi) productivity and performance measurement, vii) wider use of information technology, viii) strengthening of institutional structures, ix) improvements in public personnel management, x) inculcating positive values and work ethics, xi) establishment of an inspectorate system, and xii) implementation of the Malaysian Incorporated Policy (Government of Malaysia 1996).

In the 2000s, continued efforts to improve service delivery and optimize resource utilization will be made, particularly through the extensive use of information and communication technology; the review of existing management structures, personnel policies, and delivery systems to meet the requirements of a knowledge-based economy; the strengthening of management integrity to ensure greater accountability and transparency; and continued collaboration with the private sector and nongovernment organizations (NGOs) to enhance the process of governance (Government of Malaysia 2001).

The present leadership reemphasized the importance of good governance in a recent statement. Prime Minister Abdullah Ahmad Badawi has stated: "I have always been a strong believer in the need to promote good governance. That is why I have vigorously pursued efforts to improve the public service delivery system to make it more efficient, transparent and accountable" (Badawi 2003).

C. Effective Delivery System

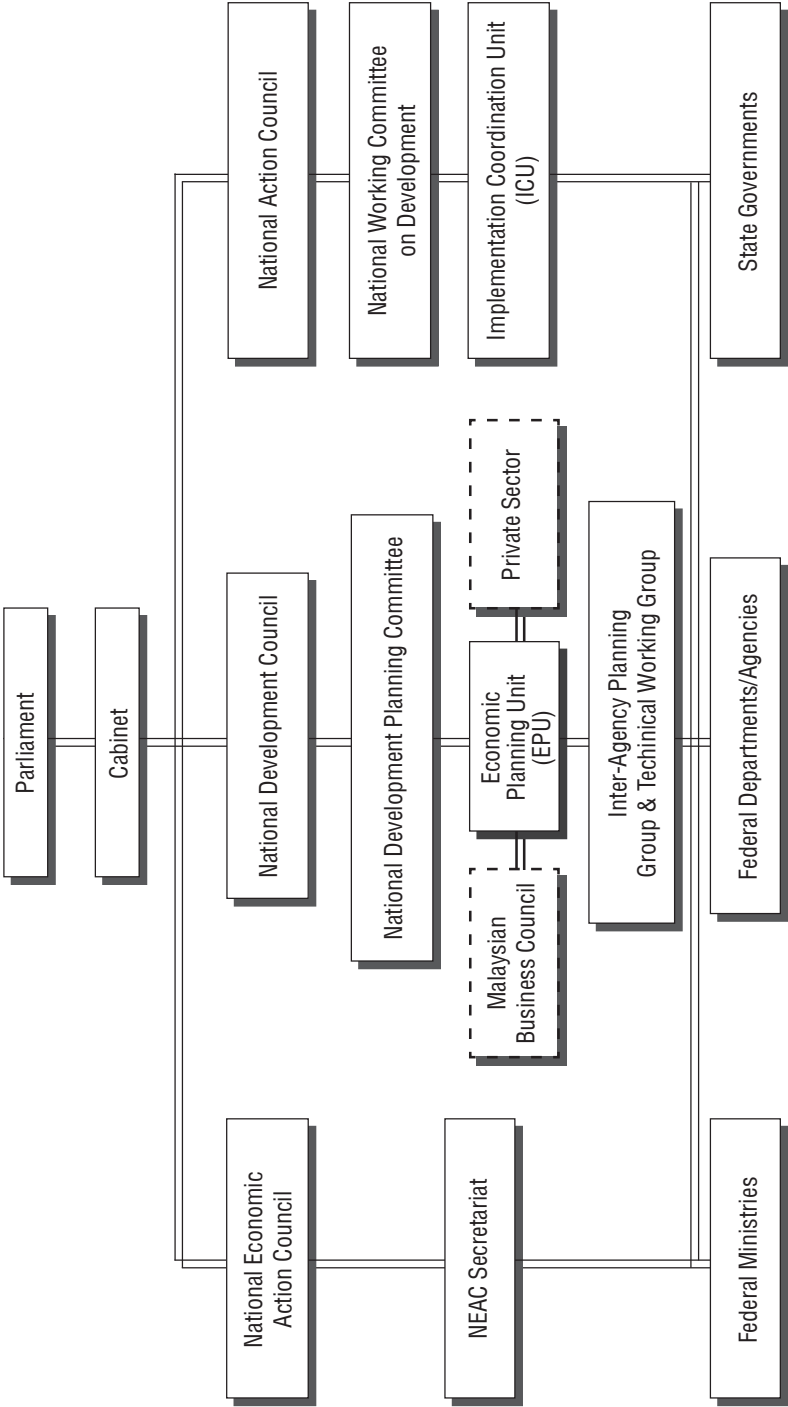
An effective delivery system for poverty alleviation is part of the good governance process. It includes sound planning and implementation capability and entails efficient use of resources, constant monitoring, review, and study impact. The capacity of the state to plan and implement development plans and implement programs and projects contributes to the success of poverty alleviation.

In Malaysia, an effective delivery mechanism is ensured through sound and rigorous planning and an implementation process involving the Economic Planning Unit (EPU) and Implementation Coordination Unit (ICU) as key players and coordinators of poverty alleviation strategies and programs. Development planning in Malaysia was accepted as a function of the government in the 1950's with the preparation of the First Five-Year Development Plan (1956–1960). This function was firmly institutionalized with the establishment of the EPU in 1961 as the central agency of the Government for planning national economic development. At the federal level, the National Action Council and the National Development Council (NDC) serve the Cabinet. All these Councils are chaired by the Prime Minister (Samsudin 1993, Nik Hashim 1994).

Figure 1 summarizes the present structure of planning and implementation machinery at the federal, state, district, and village levels. The NDC, which consists of key ministers, is the highest policy-making body in planning and is responsible for planning, formulation, and coordination of long-term socioeconomic development policies such as the Five-Year Plans. For the purpose of detailed deliberations, the National Development Planning Committee (NDPC), composed of senior government officials, including the Governor of the Central Bank, is responsible for formulating and reviewing all plans for national development and making recommendations on the allocation of resources. The EPU acts as the secretariat to the NDPC, NDC, and their subcommittees and thus provides the necessary linkages for the ministries and line agencies. The respective ministries and agencies maintain a close connection with EPU through their Planning and Development Division, especially on sector planning, development programs, and budgeting. The EPU is served by the Inter-Agency Planning Groups (IAPGs) and the Technical Working Groups (TWGs), as forums of different ministries, departments, and other central agencies for interagency consultation and collaboration. The EPU, together with the IAPGs and TWGs, coordinates strategic planning on poverty alleviation, and involving federal ministries, state governments, NGOs, the private sector, the Malaysian Business Council, and academia. These plans need to be approved by the NDP, NDC, and the Cabinet, before being approved by Parliament. This structure is not static but is changed according to the needs and situation at the time. For example, after the financial crisis of 1997–1998, the National Economic Action Council, which was created with the main aim of putting the economy on the track to recovery, became an important component of the planning and development machinery.

The planning and implementation mechanism is followed through to the state, district and local levels, involving the translation of macro policies and strategies into micro projects and programs. At the state level, the State

Figure 1. Development Planning and Implementation Process in Malaysia



Source: Author's Research.

Economic Planning Unit coordinates the planning and implementation machinery through the State Development Committee. At the district level a similar process takes place, involving the District Office and the District Development Committee. At the local or village level, the Development and Security Committee provides inputs (see Figure 2).

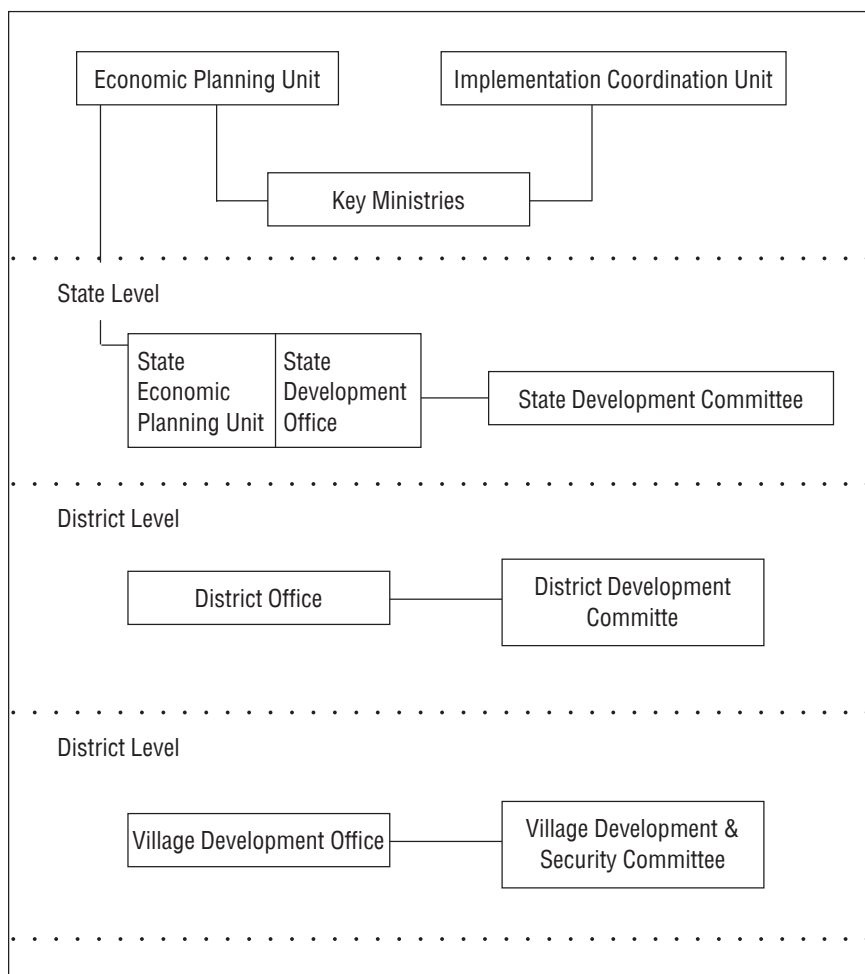
A participatory planning process involves both “top-down” and “bottom-up” processes and ensures the participation of key players, including government, private sectors, NGOs, and beneficiaries (see Figure 3).

The planning horizon extends from short-term (annual budgets) to medium-term (5-year plans and midterm review of 5-year plans) and long-term (10–20-year Outline Perspective Plans [OPPs]). Normally, a major planning exercise is conducted prior to the beginning of a 5-year plan or an OPP. Eight Five Year Malaysia Plans, spread over three OPPs, have formed the thrust of the NEP, NDP, and NVP, respectively (see Figure 4).

The effective and efficient implementation of development plans forms the crux of successful planning. The success of the plans and policies is evident in the effectiveness of the coordination and monitoring mechanism of project implementation at all levels. The ICU of the Prime Minister’s Department was created in July 1971 to monitor implementation of the 5-year development plans and to oversee implementation, coordination, and evaluation of development policies, programs, and projects. In a project management concept, implementation involves mechanism by which planned policies are translated into programs and projects. Another task involves evaluation, the analytical assessment of public policies, organizations, or programs that emphasizes the reliability and usefulness of findings to improve information and reduce uncertainty.

Like the EPU, the ICU coordinates program and project implementation at the federal, state, and local levels. At the federal level, the ICU coordinates the work of the National Working Committee on Development (NWCD), chaired by the Chief Secretary of the Government, and the NDC, chaired by the Prime Minister. At the state and district levels, parallel mechanisms are in place, linking with the State Development Council, the State Working Committee on Development, and the District Working Committee on Development.

The main role of the NDC is to decide on the overall policies and development strategies, to ensure that the implementation of the National Development Plan and policies meets their objectives and to evaluate the implementation strategies of development projects. Among others, the role of the NWCD is to ensure that the implementation of programs and projects implemented by various ministries and agencies is in accordance with the objectives of the national plans and policies; to identify and overcome the major constraints and limitations faced during the implementation stage of

Figure 2. State, District, and Village Planning and Implementation Process

Source: Author's Research.

the development projects; and to monitor, review, and evaluate analytically development plans and policies.

The project monitoring system in Malaysia has a long history, related to the establishment of an information system. It started in the First Malaya Plan (1956–1960) with the Rural Economic Development (RED) Book System, where information and progress reports on projects were kept and updated. The first computerized/centralized monitoring system, known as Project Monitoring System 1, was established in 1971; all agencies sent project reports to the ICU through a special form where the information was captured and

processed in the ICU computer system. In 1981, an integrated information system of the Central Agencies (EPU, Treasury, ICU, and Accountant General's Department) known as a SETIA was implemented, focusing on the financial progress/performance of projects and programs. In 1991, an integrated scheduling system focusing on physical progress, known as SIAP, was implemented. In 1996, an integrated information system of SETIA/SIAP, focusing on the financial and physical performance of projects, was implemented, linking the ICU, EPU, Ministries, State, Treasury and Accountant General's Department.

Using this system, the financial performance of projects during the plan period could be monitored, matching the original, midterm, and final allocations with actual expenditures. For example, as of 31 July 2004, out of 48,639 subprojects monitored, ICU determined the status of subprojects as follows: completed (67.3%), ahead of schedule (0.9%), on schedule (24.1%), delayed (1.7%), planning stage (5.6%) and unenergized (0.4%) (Ahmad Shahrom 2004).

With regard to poverty alleviation, the monitoring of projects and programs include the *in situ* development scheme, crop replanting subsidy, agricultural extension services, rural economic development program, housing assistance and rehabilitation program, and attitudinal rehabilitation program.

IV. Targeting and Participation

An effective and efficient delivery system also entails correct targeting to the poor. Identification of the poor and directing benefits toward the poor are considered as the best solution to the problem of poverty alleviation. Several motivations impel correct targeting of the poor, including ensuring efficient use of resources, avoiding leakages, reducing costs, and increasing efficiency. In an era of budgetary deficits, with pressures to reduce expenditures, the need for correct targeting of the poor to increase efficiency of the delivery system is paramount.

In Malaysia, serious attempts to identify the poor started in the Third Malaysia Plan (1976–1980) with the identification of the poor into rural and urban target groups. The rural target groups were classified into paddy farmers, rubber smallholders, coconut smallholders, fishermen, and estate workers, while the urban poor were unofficially classified into squatters and low-cost flat dwellers, petty traders, and dwellers in urban traditional and new villages. Poverty data in official documents up to the Fifth Malaysia Plan period (1986–1990) were classified into rural and urban poor, with detailed classifications for rural poverty.

With significant reduction of poverty having occurred by the end of the NEP era in 1990, the focus of poverty alleviation shifted, with emphasis on the eradication of hardcore (extreme) poverty, defined as individuals with household incomes less than 50% of the PLI. The identification of the hardcore poor (HCP) involves a tedious exercise of establishing a registry, verifying it with other agencies and local authorities, and maintaining and frequently “cleaning” the lists. The incidence of the HCP was reduced from 4% in 1990 to 0.5% in 2000, and the Government hoped to totally eradicate hardcore poverty by 2005.

In addition, direct identification and a specialized delivery mechanism for poverty alleviation was instituted via an NGO involving a microcredit program implemented through Amanah Ikhtiar Malaysia (AIM). This replication of the Grameen-type microcredit scheme has been implemented since 1986, and as of June 2001 had reached 75,000 beneficiaries in 61 branches with a total loan disbursement of RM582 million (AIM 2001). Various impact studies of AIM’s microcredit program have shown resounding success in terms of outreach, repayment rates, impacts, and sustainability (Chamhuri and Quinones 2000).

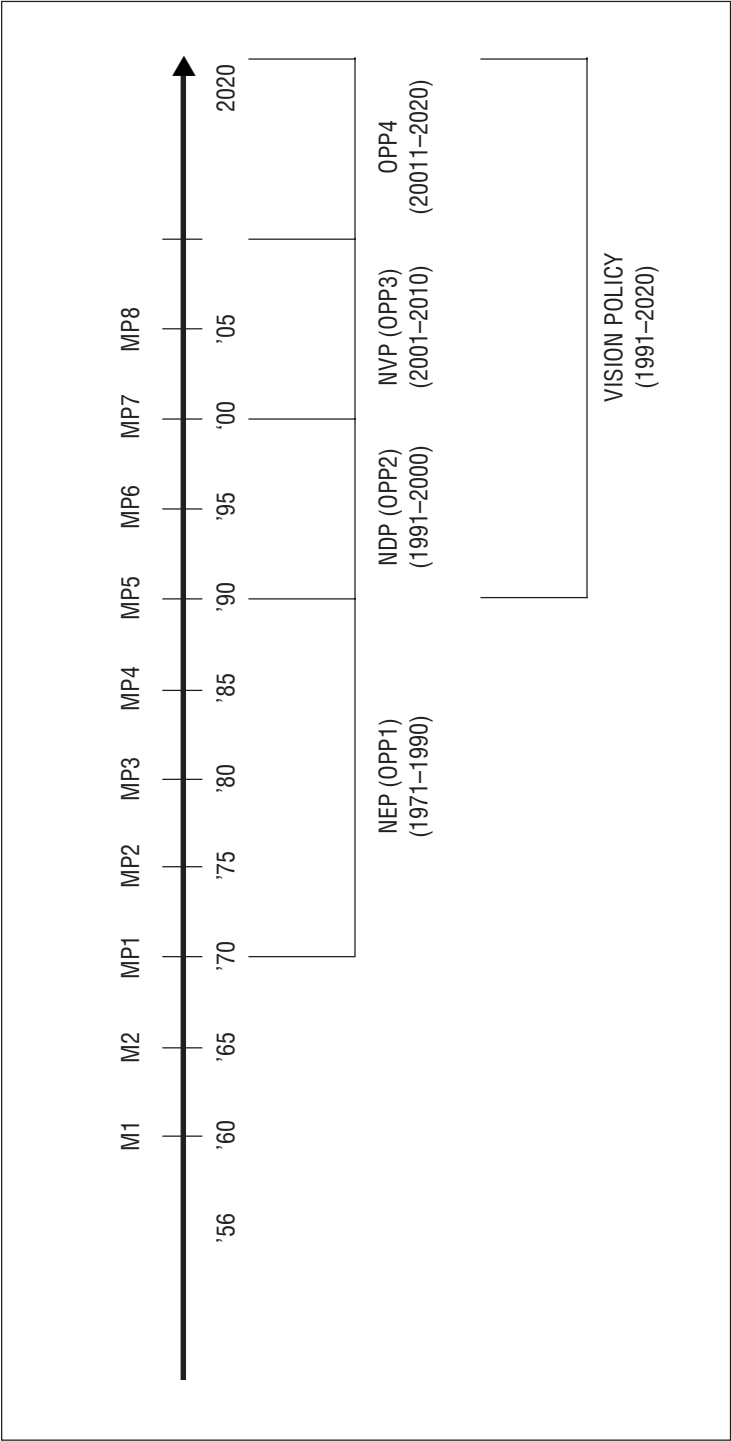
The classification of poverty into poor and hardcore poor in rural and urban areas was maintained up to the present Eighth Malaysia Plan period (2001–2005). In view of the success in eradicating poverty, in the Mid-term Review of the Eighth Malaysia Plan (2003–2005) a new category of the poor, known as the vulnerable, was included, defined as those with household incomes between the PLI and RM1,200 per month, which generally falls in the bottom 30% of income distribution. This act, while enlarging the target group of the poor, may affect the efficiency and effectiveness of poverty alleviation programs, unless proper verification and monitoring is done.

Participatory development is a crucial component of good governance, and good governance is a prerequisite for a successful participatory process. Genuine participation embodies some form of empowerment of the population and participation in the development process. People should be involved throughout the project or program cycle, in the design, implementation, monitoring and evaluation stages. Participation could involve the private sector, NGOs, and the beneficiaries of projects.

V. Pragmatic Poverty Eradication Policies and Strategies

Malaysia has followed the “Growth with Distribution” policy since the 1970s. This policy has been the thrust of macro-perspective policies such as the NEP (1970–1990), NDP (1991–2000), and NVP (2001–2010). The

Figure 3. Five-Year Development Plan in the Context of Outline Perspective Plans



NEP = New Economic Policy; NDP = National Development Policy; NVP = National Vision Policy; OPP = Outline Perspective Plan.
Source: Modified from Shamsuddin Hitam 1973: 171.

uniqueness of Malaysia's policy is in the affirmative action strategies, giving priority and emphasis to the indigenous or *Bumiputera* communities in terms of benefits of poverty alleviation and restructuring programs. Various sociopolitical and economic justifications may be given for this overriding strategy, which in the end benefits the nation in general in terms of creating a more balanced and just society. Much debate took place on the possible trade-off between growth and equity, but Malaysia has shown that both growth and equity could be achieved with prudent and efficient management of financial, physical, economic, and human resources. Here lies the critical role of the state, especially through its public sector management in ensuring good governance and effective delivery mechanism of poverty alleviation programs.

A. Growth Policies

Malaysia has always believed that growth is a prerequisite for redistribution. Macro policies that have contributed to sustainable growth include the following:

- i) Structural Change and Diversification Policy, which ensured smooth structural change of the economy from a commodity producer to an industry and services producer;
- ii) sector policies, including
 - a) an Agriculture and Rural Development Policy with respect to food security and sufficiency, land development, land rehabilitation, rural development, National Agriculture Policies I, 1984–1991), II (1992–1997), and III (1998–2010); and
 - b) an Industrial Policy: an Industrial Master Plan charting growth of industries, incentives, infrastructure, industrial zones, finance and banking, telecommunications, ports, taxes, and subsidies;
- iii) investment policy covering both foreign and domestic investment, incentives for investments, equity participation, etc.;
- iv) savings and fiscal policies, including savings rate as a percentage of gross domestic product, financial services, interest rates, microfinance, revenue and expenditure, fiscal allocation, tax burden, and rebates;
- v) employment and labor policies, including sector employment, foreign labor, wages, minimum wage and subsistence, training, and human resource development; and
- vi) price policy, including low inflation rates, control of food prices, basic needs and essential services, expenditure burden, etc.

B. Distribution Policies

Malaysia's distribution policies include

- i) poverty alleviation policies, strategies and programs, including economic programs, agriculture and rural development, urban and industrial development, and entrepreneurship and small business development;
- ii) affirmative action equity and restructuring policies and programs, including pro-poor and pro-indigenous strategies, education, and human resource development, wealth restructuring, equity participation, and special share schemes;
- iii) social infrastructure, including welfare, housing, health care, education programs for the poor, pensions, and old age schemes;
- iv) provision of basic needs and amenities, including water, electricity, housing, food, clothing, infrastructure, and services; and
- v) access to resources, including land, water, credit, and legal aid.

VI. Conclusion and Lessons

This paper highlights Malaysia's success in poverty alleviation, emphasizing the enabling policy framework, including the role of the state, good governance, effective delivery mechanisms, targeting, and pragmatic pro-poor poverty alleviation strategies and programs. The role of the state is critical in balancing growth and distribution policies, especially in implementing the delicate affirmative action policies. The commitment of the state to poverty alleviation is evident in its strong institutional and budgetary support, including a supportive and efficient public sector that ensures good governance and effective delivery mechanisms through planning and implementation coordination.

These are some of the important lessons from Malaysia's success in poverty alleviation. These are not to discount the role of the private sector and NGOs, which have complemented the implementation of the various poverty alleviation programs. Above all, political stability has ensured the continuity of the various policies, in the context of the perspective and visionary plans, and translated into pragmatic strategies and programs in the 5-year development plans.

Nevertheless, poverty will remain an issue and an important agenda for development. Even if absolute poverty may be eradicated, the issue of relative poverty, i.e., the widening income and wealth gap between ethnic groups, sectors, and regions, will pose critical challenges for poverty alleviation in the future.

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Session 1

Leadership and Change Management

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Leadership and Change Management

Jeffrey D. Straussman¹

The subject of leadership, especially leadership in government, is not fully understood, despite the fact that it is often mentioned as a critical element that accounts for government's success or failure. Consultants abound; popular how-to-do-it management books, available around the world, especially in airport bookstores for the time-pressured senior manager, often provide checklists and simplistic advice about becoming an effective leader. Serious reflection about leadership and its relationship to performance is less common.

Almost all commentators on the subject of leadership mention that effective leaders have a *vision* and share that vision with members of the organization. A vision is not something precise. Rather, it provides the person who assumes a top-level position with the opportunity to share his or her ideas about what the organization should become, what it should do, how it should perform, and, perhaps most important, what the role and responsibilities of members of the organization should be. A vision is abstract; it is broader than goals and it is more expansive than a mission statement.

Leaders are effective when they inspire others. This is an important theme of E. H. Valsan's article, "Leadership in Public Administration for Alleviating Poverty and Development: A Conceptual Approach." As he points out, many models of administration have ignored what he calls "inspiration" as a core element of effective leadership; he uses the example of Mother Teresa and her work with the poor in Calcutta to illustrate his point. Valsan steps away from the formal attributes of leaders—especially their organizational roles—to develop the psychological underpinnings of effective leadership. By extension, one can employ his concepts to investigate how leaders try to create positive change.

Leadership is no longer only about "great men." Rather, contemporary portraits show that leadership applies equally to women—and not only great women like Mother Teresa. On the contrary, gender is a central part of development and leadership can make some gender-based programs successful. This theme is present in Sheila Rai's article, "Gender-Responsive Governance in India: the Experience of Rajasthan." Her conclusion, however, is sobering, since she points out that a large gap yawns between the rhetoric of gender and

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the realities of effective gender initiatives, at least as illustrated by her case study of Rajasthan.

A similar theme is found in Ahmad Martadha Mohamed's "Administrative Discretion and Representative Bureaucracy: Linking Descriptive Representation to Substantive Representation." Drawing largely on the Western academic literature of representative bureaucracy, Mohamed shows that in his sample of Malaysian public administrators, women and minorities will act to pursue policy issues relevant to these groups when they internalize these characteristics. The implication of both articles is that policies aimed at advancing the interests of women and minorities require leaders who both share these interests and pursue them via effective leadership. Formal representation through affirmative action programs, by themselves, will not automatically lead to substantive change.

As the well-known management theorist John P. Kotter points out in his book, *Leading Change* (Boston, MA: Harvard Business School Press, 1996), leadership and management are not identical, and this can be seen, especially, by observing that well-managed organizations are not necessarily high-performance organizations. The reason lies in the differences between management and leadership. Management and leadership are often used interchangeably, but there are important differences between them. High-performance organizations have both strong management systems and effective leadership. We all know what the essential management functions are. They include

- planning and budgeting,
- organization and staffing, and
- controlling and problem-solving.

These are the traditional and essential functions found in all large organizations. These functions provide the foundation of higher education university degrees in business and public administration as well as short-term training programs. We constantly try to improve human resources methods and financial practices in organizations. High-performance organizations certainly need effective management processes to produce positive results—*but they are not sufficient to guarantee long-term success*. Tatsuo Oyama's article, "Educating and Training Japanese Government Officials: Current Trends and Policy Study Aspects," surveys the education and in-service training of Japanese civil servants. His conclusions are telling and they point out the knowledge gaps of current civil servants. But, in reading between the lines, one can find a substantial shortcoming in the lack of attention to leadership qualities, clearly missing from the formal and informal curriculum. Here is a short list of those qualities:

- *Establish direction.* This refers to the importance of vision—providing members of the organization with a sense of what the organization is, and what it might be. Vision creates the setting for the members of the organization to see how their performance fits into the “big picture.”
- *Align people by creating an environment of cooperation in the organization.* It is often said that much of what is done in organizations is done in groups. Leadership includes the facilitation of teamwork by creating the appropriate atmosphere.
- *Motivate and inspire members of the organization.* All of the public officials I referred to above viewed it as their task to nurture employees so that they will perform up to their potential.

While effective managers produce stability in organizations and are therefore important for the survival and maintenance of organizations, leaders who have the qualities listed above are capable of producing positive changes. These changes may be new services, improved services, and, more broadly, even new missions.

High-performance organizations need both effective managers and effective leaders. Kotter’s book helps us think about the relationship between both management and leadership in an organization embarking on substantial change. If both leadership and management are nonexistent, efforts to change will go nowhere. When leadership is strong but not backed up by effective management structures, efforts to undergo significant change may show some initial progress, but will soon be stymied by the lack of core management functions that must support the change. When management is strong but leadership is lacking, short-term positive results are likely to occur, but significant organizational change will not take place. When management and leadership are both strong, the organization is likely to be successful in undergoing large-scale change. The last combination is not only desirable but also achievable. It is the task of public administration educators to make this point to the next generation of public servants.

Leadership in Public Administration for Alleviating Poverty and Development: A Conceptual Approach

E. H. Valsan¹

I. Introduction

The importance of public administration for poverty alleviation and development was recognized in the NAPSIPAG region more than 50 years ago, when colleges and institutes of public administration were started and later, when the Eastern Regional Organization for Public Administration organized annual conferences and seminars where major issues of poverty and development were discussed. Several academic experts from the West, especially from the United States, came to the region with technical assistance programs and made recommendations for the reorganization of governmental machinery. Paul Appleby's report on public administration in India was accepted by the then Government of India with acclaim in 1953 and it led to the inauguration of the Indian Institute of Public Administration by Prime Minister Nehru, who continued to be its President till his death in 1964.

Postgraduate studies in public administration that started in university departments and colleges in India, South Korea, the Philippines, and Thailand were largely influenced by the "theories" of public administration taught in American universities. This was because it was in the United States that the subject was developed as an academic discipline, though often in departments of political science. Conceptually, much was borrowed from terminologies developed in the armed forces and applied to business management situations in the West. Asian scholars who wrote textbooks on public administration were largely influenced by these concepts and terminologies in describing their own systems of administration.

A mainly descriptive structural approach was followed, with very little consideration for behavioral aspects of relevance to their own societies. Subjects like leadership were neglected in their curricula until recently. Perhaps this was due to the prevailing notion that it was a subject to be dealt with in political

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science; the closest discussion of the subject came under the rubric of “POSDCORB,” described as the “Functions of the Executive” by Gulick and Urwick. As is well known, the acronym stood for Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting. These functions implied scope for leadership, yet critics found the model mechanical and without concern for the ground realities of situations under which bureaucracies operated.

The exposure to administrative situations in Asian countries helped American scholars like Fred Riggs, Ferrel Heady and William Siffin realize the need to understand the history and background of administrative systems in Thailand, the Philippines and other countries, before ideas and institutions developed in the United States were applied. Fred Riggs in particular emphasized through his lectures on the ecology of public administration the need to describe administrative ecology before considering prescriptions for reform. His Prismatic Model further attempted to provide hypothetical characteristics of administrative environment in developing societies (see Riggs 1964, 1966, 1978). Influenced by such innovations in the thinking and study of public administration, many Asian scholars like Hahn-Been Lee and Jose Abueva came out with analytical propositions based on field research in their respective countries. Research done by this author in India and the Philippines (Valsan 1970) helped in developing a conceptual framework applicable to development administration beyond the POSDCORB criteria, which are universally relevant. Later experience and observations in Bangladesh, Egypt, and Sri Lanka all the more convinced the author that development administrators, while discharging the functions of POSDCORB, needed to be aware of the importance of the “Five I’s”—Information, Inspiration, Innovation, Introjection, and Integration.

Development administrators found an awareness of these dynamic elements valuable in helping them perform well in the leadership roles often required for development administration. For the sake of clarity and for emphasizing their contemporary relevance, an elaboration of each concept is attempted below:

II. Information

Unlike the 1960s, when this conceptual formulation was identified, the importance of information for leadership in public administration is easier to understand today. The information revolution that the world has witnessed during the last few decades has made data and ideas from anywhere in the world available to the leadership. It has also helped make field research and feedback information essential for decision making by administrators. It has helped attempts to replicate successful projects in countries far away with locally

relevant modifications. A famous example is the Grameen Bank concept originated in Bangladesh under the dynamic leadership of Muhammad Yunus, which has spread all over the developing world, helping rural women through microcredit projects.

Information technology (IT) initiatives in E-government have spread out to several countries with varying degrees of success, but definitely influencing the thinking and functioning of leaders and administrators. The availability of information windows at the village level has expedited the process of applying for benefits and services available to common citizens, and for their speedy delivery.

Under the POSDCORB formulation, information as a function was included under reporting, which was more in an upward direction in a hierarchical organization. Reporting back to the people or subordinates was unknown in such a dispensation. Today, information as a dynamic element in development administration can be accessed and passed on from any direction and utilized for accomplishing the goals of the organization. Awareness of its importance and familiarity, if not mastery of its computer utilization, has become an essential qualification for dynamic leadership.

For developing democracies of the Asia-Pacific region, political parties and representatives find IT useful to collect and analyze information and to project popular demands more meaningfully in parliaments and public forums, thus influencing policy formulation. For instance, in Kerala, India, the Marxist Communist Party, which had in the early days opposed the introduction of computers on grounds of its leading to massive unemployment, is reported to have equipped its own offices with modern computers. Rajiv Gandhi was a modernizer in this respect, inviting technically competent Indians from abroad to introduce a revolution in the field of telecommunications using IT. In short, awareness of the importance of information with all its technological implications is a must for development leadership. It is equally important for coordinating all activities concerned with the plight of the poor, thus avoiding the duplication of efforts and funding that often occurs because of development partner contributions or scarce budgetary allocations of governments.

III. Inspiration

Mechanical models of administration and theoretical analyses of leadership have neglected the importance of inspiration, whereas it can be one of the mobilizing forces for development administration and poverty alleviation activities. Inspiration here is being looked at both as an individual experience and as a collective requirement for successful administration, contributing to

development as well as in tackling the problems of acute poverty. This writer was impressed by its role in community development programs of the 1950s and 1960s in Bangladesh, India, and the Philippines. Leaders like S. K. Dey, who was the first community development minister in India; Akhtar Hameed Khan, who resigned from the prestigious Indian Civil Service and followed Gandhian idealism in launching a community development program in Comilla in East Pakistan (now Bangladesh); and Ramon Magsaysay, who established the Presidential Assistant for Community Development in the Philippines, were all inspired by the desire to serve their respective communities or nations by tackling the problems of the rural masses. They in turn were able to inspire hundreds of their countrymen to join these movements, imbibing the spirit of public service.

One example is that of Muhammad Yunus, who started the Grameen banks. As a student at the Comilla Academy, he was inspired by the leadership of Akhtar Hameed Khan. Similarly, Jimmy Yen, who launched the Philippine Rural Reconstruction Movement (PRRM) in order to uplift the living conditions of the rural population, was able to inspire people like Dr. Juan Flavio, who later took over the mantle of PRRM. Hence, the relevance of the “chain of inspiration” concept for development, which is to be seen as a parallel with the “chain of command” concept in the mechanical model of management.

That inspiration is equally important in the alleviation of poverty is clearly demonstrated in the life and contributions of Mother Teresa. Apart from her claim of divine inspiration, which is not part of our analysis, it was a fact that the poverty and misery of the sick and the dying inspired her to take care of those mortals. In turn, she was able to inspire a large number of young Sisters of Charity, who continue to serve the poor in several countries, even since her passing from the scene. The fact that they survive based on donations by private individuals belonging to all religions and institutions who are inspired by the message of the Mother and the service of her followers is equally important for the purpose of this analysis (see Spink 1998).

Looking at more productive projects for reducing poverty using the potentials of the healthy among the poor, one finds the livelihood programs of PRRM and the Kudumbasree projects of Kerala, meant for augmenting the income of women in need of support, succeeding wherever political, social, or bureaucratic leadership is inspiring. Here, it is important to emphasize that bureaucratic leadership is possible wherever there is ideal political leadership. Good examples of commitment set by political leaders or ministers can inspire civil servants and civil society volunteers to contribute to the success of development programs. Conversely, corrupt, greedy, and incompetent political bosses can kill the enthusiasm of even the most honest and competent subordinates. In short, it is only the inspired who can inspire.

The above discussion naturally leads to the question of the *sources of inspiration*. In the original work mentioned earlier, this writer attempted to compare the concept of charisma with that of inspiration and, among other points of comparison, mentioned that whereas charisma is supposed to have only one supernatural source, inspiration can have a multiplicity of sources. For instance, even when one's boss is corrupt and uninspiring, the goals of the organization and the needs of the poor or the clientele, as well as the dedication of one's own subordinates, can sometimes sustain one's inspiration to serve.

Charisma as a concept can be even antidevelopment, or go against the interest of poverty alleviation programs. For instance, those who attribute charisma to Mother Teresa sometimes withdraw from the movement, saying that the Mother was charismatic, which they are not, and they cannot be expected to serve the way she did. The same is applicable to the discussion of Gandhi, who was also considered charismatic and thus even worshipped, but seldom followed by his so-called followers. On the contrary, if they can draw inspiration from the causes for which Mother Teresa or Mahatma Gandhi worked, more success will be achieved in attaining the goals they shared with their leaders. A rational understanding of the concept of inspiration and attempts to instill it in organizations and administrative systems can lead to attaining organizational goals for human development. A caveat must be added, however, that our analysis excludes the role of what may be called negative inspiration for destructive activities commonly reported in the media in the new millennium.

IV. Innovation

Another dynamic element in this conceptual model is innovation. Bureaucracy in general and public administration in particular are well known for routine and blind following of established practices. Awareness of the need for innovative thinking on the part of administrators was considered essential in order to achieve the development goals that could not wait for slow and incremental methods at the expense of suffering masses. Especially in the case of programs for alleviating poverty, bureaucratic excuses and corrupt practices have to be met with innovative initiatives. IT, as mentioned earlier, has opened avenues for more innovative approaches to decision making and service delivery. Also, as indicated earlier, information about other successful programs can be utilized for introducing innovative activities in a new setting. India's green revolution introduced many innovations in agriculture, leading to higher productivity, but the distribution system did not match the success of the scientists and the farmers, with the result that poverty and malnutrition continue

to haunt rural areas in some states. Political leadership in such situations also did not come up with innovative solutions for bureaucracies to implement.

In tackling abject poverty and facing natural calamities like floods, drought, cyclones, and earthquakes, bureaucracies and social and political workers are challenged to introduce quick and effective innovations and makeshift arrangements. An awareness of the importance of innovation in such critical situations is important in the training of civil servants for administrative leadership.

Innovative approaches in communicating with the masses are important for implementing sensitive activities like family planning. The successful utilization of local political leadership for canvassing and mobilizing the masses for attending male sterilization camps in Kerala, India, in the 1970s introduced many innovative incentives to the participants and their families (Valsan 1977). Literacy campaigns also try out incentives and innovative methods of teaching in order to attract women and elderly illiterates.

V. Introjection

During the last 3 decades, public administration and management sciences have seen major innovations and terminologies like Total Quality Management, New Public Management, and Human Resources Development. The concept of introjection suggested by Fred W. Riggs is important in the context of trying to introduce innovations successfully implemented in the West to Asian, Pacific, African, and Latin American countries. Borrowing from psychology, which calls for the selective internalization of values, Riggs implies here accepting reforms or innovations that can work in a society, and rejecting those that are not suitable or may even cause disturbance to the polity.

The concept can be applied even while trying to imitate in one part of a country a policy or practice that has proved successful in another part. A typical example was the attempt to introduce male sterilization in North India, copying successful innovative methods adopted in Kerala mentioned earlier. Kerala being a highly literate state, it was possible to mobilize the masses for the family planning program. In Uttar Pradesh, with poor literacy rates, on the other hand, the bureaucrats and politicians who wanted similar results even used force, thereby causing political damage to the ruling Congress Party in the election that followed and making family planning an untouchable subject even for the federal Government, thereby causing the increase of the national population beyond a billion.

Had they been aware of the importance of introjection, such a situation could have been avoided. The failure of many programs for poverty alleviation

is also traceable to the inability of bureaucrats and social workers to take into account the sociocultural background of the population and the special conditions of poverty prevailing in each society. In short, awareness of the concept of introjection is important for leaders trying to introduce reforms simply because of their success elsewhere.

VI. Integration

Closely related to the concept of introjection is integration, which is most important for the stability of any society. As modernization is supposed to be accompanied by differentiation of functions, developing countries in their urge for development through modernization imitate developed countries in introducing institutions and structures that are expected to function in the same way as in the West. However, the proliferation of institutions and agencies without sufficient coordination leads to chaotic situations, causing administrative breakdown or political instability. In this connection, it is worth remembering the Riggsian addition to his revision of the prismatic model, in which he emphasized the role of integration for diffracted societies. Prismatic conditions prevail where no integration of differentiated functions occurs. Awareness of the importance of introjection helps in understanding the need for integrating the departments and institutions created. Reforms that are likely to tear the society apart due to lack of information should be kept in abeyance until objections to their implementation are explained and public acceptance obtained. In short, by taking into account ecological factors affecting development in a society, leaders can introduce reforms without disturbing the integration and the integrity of the society concerned.

The dynamic model of development administration suggested by the above analysis does not ignore the role of POSDCORB executive functions, but urges the awareness of the importance of the “Five I’s”—Information, Inspiration, Innovation, Introjection, and Integration—for performing a leadership role in the society. Extensive discussions on the model were held during graduate seminars with participants from different countries, many of whom supported its validity as a supplement to POSDCORB. However, in the context of poverty and problems faced by the weaker sections of society, leaders involved in alleviating misery, pain, and humiliation of those sections of the population, to be effective, need to call on some special attributes that they may have or that can be consciously cultivated. These, I suggest, are Empathy, Enthusiasm, Efficiency, Entrepreneurship, and Ethics.

VII. Empathy

Here again, Mother Teresa's example is unique. Inspiration for undertaking the task of picking up the old, sick, and needy from the streets of Calcutta and treating, feeding, and housing them could have been effective only because of her capacity to empathize with their lot. It is one thing to feel sympathy and to donate some amount, food, or clothes as many of us do, but another experience to put oneself in their situation and to cater to their felt needs. Empathy is equally important for those involved in crisis management situations tackling natural calamities. Other instances of exemplary capacity for empathy can be cited, but other attributes of equal importance need our attention.

VIII. Enthusiasm

Any movement involving mobilization of people needs leaders who are not only inspired by its goals, but are enthusiastic about achieving them. Their commitment, the way they articulate goals, methods, and details, and their electrifying influence over their followers reflect that enthusiasm. It is an attribute that is important for fund-raising for noble causes. Juan Flavio of PRRM, who later became a cabinet secretary in the Philippines and is now a Senator, is an example that comes to one's mind. Watching him in the early years of PRRM, making inspirational talks full of ideas, wit, and humor to enthuse the volunteers going to the barrios, was a pleasure.

IX. Efficiency

Lest it be felt that all our talk of inspiration, empathy, and enthusiasm in leadership is devoid of concern for practical aspects of running organizations, it is important to emphasize the attribute of efficiency, without which no leadership in public service or administration is possible. Akhtar Hameed Khan, who was trained in the erstwhile Indian Civil Service, was conscious of this at Comilla. He attached considerable importance to bookkeeping and training volunteers in financial management. Especially for organizations depending upon donations or government subsidies, accountability depends upon the efficiency of the leadership. Many organizations begun with good intentions for public service did not survive beyond the lifetime of their founders, because no mechanism was built in for continuation of an efficient system of management. Punctuality, dependability, and fairness in the treatment of clientele, colleagues, and subordinates constitute this important attribute

essential for public service. Unfortunately, very often institutions for charitable purposes run by governments lack efficient leadership.

X. Entrepreneurship

Normally considered a business management concept, entrepreneurship as an attribute for leadership in public administration and poverty alleviation activities is increasingly becoming important due to the challenges faced by modern organizations. Closely related to the concept of innovation suggested earlier, success in achieving organizational goals, especially in commercial organizations run by governments, largely depends upon this attribute. An example from India would be the Managing Director of Kochi International Airport Authority, V. J. Kurian, who is a member of the Indian Administrative Service. Though building the airport was a political decision, the financing of it through public contributions and donations, which were later converted into shares in the commercially constituted airport company, were all achieved to a large measure due to the entrepreneurship of this government officer. The story of the successful operation and continuing development of this airport is itself worth a case study in leadership. Mother Teresa, in addition to all her inspiring qualities, was also considered during her lifetime as an entrepreneur who was able to start branches of her Missionaries of Charity in several countries. The Grameen Bank concept in Bangladesh is another example of encouraging the spirit of entrepreneurship among rural women by providing microcredit for starting small commercial activities.

XI. Ethics

When all the qualities and attributes of leadership for public administration are discussed, one cannot ignore the importance of ethics. A universal outcry against corruption in government organizations has occurred during the last decade. This implies unethical practices and deals between individuals serving in public and private enterprises at the expense of the taxpayers of the countries concerned. Even charitable activities and relief operations are not immune to allegations of corruption. Private greed getting accommodated in public organizations is despised, but such practices seem to continue to multiply. This is a challenge to the leadership of all countries and from it arises the need to identify honest men and women in administration and to assign them to leadership positions, giving necessary training in other attributes required in performing leadership tasks. Negative reporting in the

media and casual description of all bureaucrats and politicians as corrupt does not solve the problem. A positive approach to cultivating ethical attributes among civil servants and politicians and giving prominent recognition to men and women of integrity can go a long way in generating leadership in public organizations.

A natural question that may be raised while discussing the attributes of leadership mentioned above is that of the cultivability of these qualities among political and bureaucratic personnel. A general answer will be that it is possible, not only through training programs designed for human development, but through exemplary leadership of eminent individuals who should be assigned the task of mentoring their colleagues and subordinates. Watching the efficiency, enthusiasm, entrepreneurship, capacity for empathy, and ethical attributes of a leader can inspire those around him or her to perform better and to prepare themselves to wear the mantle. Delegation of responsibilities is important under such a dispensation, so that the leaders can make sure about the capabilities of their colleagues and subordinates who are one day going to be in charge. Concentration of all authority in one person's hands can be detrimental to the creation of leadership capabilities in organizations.

XII. Conclusion

While suggesting the inadequacy of the POSDCORB model for leadership in development and charitable activities for poverty alleviation, the foregoing analysis has tried to emphasize the utility of the model, but also the need to supplement it with an awareness on the part of those in leadership positions of the importance of Information, Inspiration, Innovation, Introjection, and Integration and of cultivating the leadership attributes of Empathy, Enthusiasm, Efficiency, Entrepreneurship, and Ethics. In addition, it is suggested that one of the functions of leaders is to produce leaders, mentoring and setting personal examples as role models to be followed. Assignments to responsible positions in public administration need also to be based on this important leadership role of the incumbents.

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Gender Responsive Governance in India: The Experience of Rajasthan

Sheila Rai¹

I. Introduction

In a country with a history spanning more than 5,000 years; a multiplicity of languages, customs and cultural practices; hierarchies based on caste and class; and varieties of religions and sects, layers of discrimination are almost inevitable. Gender discrimination is one such layer that is firmly embedded but, very ironically, is often not perceived as discrimination.

Once India became independent, the next step was to initiate the policies and programs for realizing the ideals of the welfare state. The postcolonial state was to be an instrument of social transformation, formulating policies to achieve the goals of justice—social, economic and political—enshrined in the constitution. These goals included melioration of disadvantaged groups, emphatically including women. Jawaharlal Nehru, India's first prime minister, highlighted the need for a special policy toward women. He wrote,

We talk about a welfare state and direct our energies towards its realization. That welfare must be the common property of everyone in India, and not the monopoly of the privileged groups, as it is today. If I may be allowed to lay greater stress on some, they would be the welfare of children, the status of women, and the welfare of the tribal and hill people in our country. Women in India have a background of history and tradition behind them, which is inspiring. It is true, however, that they have suffered much from various kinds of suppression and all these have to go so that they can play their full part in the life of the nation (Nehru 1955).

On the whole, however, it seemed in 1950 that India had ushered in a new era of liberty and equality, where women were equal to men. Through the institution of the adult franchise and Article 15, which prohibits discrimination *inter alia* on grounds of sex, the Indian Constitution mandates political equality.

This recognition of political equality of women was a radical departure not only from the sociocultural norms prevailing in traditional India, but also

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in the context of the political evolution of even most advanced countries of that date. With the exception of the socialist countries, no other state in the world had accepted women's equality as a matter of course. The United States and the United Kingdom granted the franchise to women only after World War I, after decades of struggle by their women. Most other countries, Eastern or Western, conceded it only after World War II. Japan granted the franchise to women in 1946, the People's Republic of China in 1949. The exceptions were Thailand and the Philippines, which granted a limited franchise, similar to the Indian case, in 1932 and 1933, respectively. Among the West European countries, France granted the franchise to women in 1945, Switzerland in 1971.

In the case of India, the two major forces that acted as a catalyst in the achievement of political equality of women were the national movement and the leadership of Gandhi, who declared himself to be "uncompromising in the matter of women's rights." He wrote, "Women must have votes and an equal legal status. But the problem does not end there; it only commences at the point where women begin to affect the political deliberations of the nation" (Gandhi 1929).

II. Constitutional Provisions for Gender Equality

Improvement in the status of women was a pledge made by the constitution makers, which found embodiment in the form of Fundamental Rights and Freedoms. They include freedom of speech, protection of life, and personal liberty, which may be termed as positive rights; as well as negative rights, which emphasize prohibition of discrimination or denial of equal protection (Basu 1985: 69).

Article 14 promises equality before the law and equal protection by the laws. Article 15 prohibits discrimination on grounds of religion, race, caste, sex, or place of birth, and also provides that the state may make "any special provision for women and children, even in violation of the fundamental obligation of non-discrimination among citizens, *inter alia* of sex."¹ Article 16 guarantees equality of opportunity in public employment or in appointment to any office under the state, and Article 17 (2) forbids discrimination "in respect of any employment of office under the State" on the grounds only of "religion, race, caste, sex, descent, place of birth, residence or any one of them." The obligation not to discriminate in matters relating to employment or appointment to any office under the state at least normatively ensures a

¹ This provision has enabled the state to make special provisions for women, particularly in the field of labor legislation, like the Factories Act, the Mines Act, etc.

significant position and status to Indian women. Article 23 prohibits traffic in human beings as well as forced labor.

Apart from the important provisions in the Fundamental Rights, some guidelines are given in the Directive Principles of State Policy enunciated in Part IV of the Constitution. They concretize, together with the chapter on Fundamental Rights, the constitutional vision of a new Indian sociopolitical order. The Directive Principles are declared nonjusticiable, but “nevertheless fundamental in the governance of the country,” and the state is charged with “a duty... to apply these principles in making laws” (Article 37). Some of them concern women indirectly or by necessary implication. A few are “women specific.”

The first category includes the omnibus provision of Article 38, which in brief directs the state to secure a just social, political, and economic order, geared to promote the welfare of the people; Article 39 (b), (c), and (f) stipulates distribution of ownership and control of material resources of the community for the common good, prevention of concentration of wealth and means of production to the common detriment, and protection of childhood and youth against exploitation and moral and material abandonment; Article 40, on the organization of village *panchayats* (councils) to promote self-government; Article 41, on the right to work, education, and public assistance in cases of unemployment, old age, sickness, disablement and other types of undeserved wants; Article 43, on the provision of work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities, and the promotion of cottage industries; Article 44, on the Uniform Civil Code; Article 45, on free and compulsory education for all children up to the age of 14; and Article 47, on raising the level of nutrition and the standard of living of the people and improvement of public health.

Directive principles that concern women directly and have a special bearing on their status include Article 39 (a), on the right to an adequate means of livelihood for men and women equally; Article 39 (d), on equal pay for equal work for both men and women; Article 39(e), on protection of the health and strength of workers—men, women and children—from abuse and entry into avocations unsuited to their age and strength; and Article 42, on just and humane conditions of work and maternity relief. Article 51, inserted in 1976 by the 42nd Constitutional Amendment, imposes a fundamental duty on every citizen to renounce practices derogatory to the dignity of women. The Constitution has accepted the principle of affirmative action favoring women and children. This principle has activated the state to make provisions for reservation for women in elected bodies of local government and other selected bodies.

The special attention given to the needs and problems of women, to enable them to enjoy and exercise their constitutional equality of status, along

with other specific provisions relating to the hitherto oppressed sections of society, have led many scholars to describe the Indian Constitution as a “social” document embodying the objectives of a social revolution. The Constitution contemplates attainment of an entirely new social order by making deliberate departures in norms and institutions of democratic governance from the inherited social, political, and economic systems. In doing so, the Constitution assigns primacy to law as an instrument directed toward social change. It thus demands of the legislature, the executive, and the judiciary continuous vigilance and responsiveness to the relationship between law and social transformation in contemporary India.

III. Milestones in Women's Development

The first 2 decades after assertion of the principle of “We the People” were full of optimism over the achievement of goals. Planning was high on the agenda of independent India. It was geared to improve the quality of life of the people, and it therefore contained the welfare perspective to protect the deprived and the neglected sections of society. The Planning Commission of India defined three major areas in which special attention was paid to women's development: education, social welfare, and health care. The First Five Year Plan (1951–1956) was concerned mainly with the challenges of reconstruction after the war and partition. Its approach to women's issues was welfare oriented. It focused on the services that had to be promoted for the welfare of women: family planning, maternity and child care centers, schools, feeding schemes for children, and expansion of facilities for women's education. The voluntary agencies were expected to share the major burden in the field (Desai and Thakkar 2001: 148).

The Central Social Welfare Board (CSWB) was established in 1953 to promote welfare and development services for women, children, and underprivileged groups. Social Welfare Boards also came to be appointed at state levels. The CSWB remains an important national body involved in women's development at three levels: policy, programs, and implementation. The Board frames policies at the central level through links with women's voluntary organizations, charts its own development programs for women on the basis of funds given by the Government, and implements programs through its welfare extension projects, which reach out to remote areas of the nation.

The second Five Year Plan (1956–61) envisaged the welfare of women and children under CSWB schemes and encompassed a comprehensive social welfare program; family planning featured prominently in health plans. The Third, Fourth and other Interim Plans (1961–1974) emphasized women's

education; steps were taken also to improve maternal and child health services and supplementary feeding for children, and for nursing and expectant mothers. Women continued to be seen as beneficiaries of programs of social welfare, mainly through voluntary organizations, with the help of the CSWB. The period from the 1970s onwards witnessed new awareness and sensitivities toward women's issues. In 1971, the Government of India appointed the Committee on the Status of Women in India to undertake a comprehensive examination of all the questions relating to the rights and status of women in the context of changing social and economic conditions in the country and new problems related to the advancement of women, and also to suggest further measures that would enable women to play their full and proper role in the building of the nation. The committee submitted its historic report entitled "Towards Equality," which proved to be an eye-opener for the Government and concerned citizens.

After having thoroughly examined the four Five Year Plans and the draft of the Fifth Five Year Plan, the Report of the Committee on the Status of Women in India noted:

An examination of the Five Year Plans reveals that in spite of the policy emphasis on welfare or investment in human resources, the share of investment in the social services in terms of the actual allocation has been steadily declining in successive plans. The objectives emphasized in the various plans, as well as the share of allocations, indicate that among programmes specifically designed for women's development, the order of priorities up to the Fourth Plan has been education, then health, and lastly other aspects of welfare because it was generally assumed that all other programmes will benefit women indirectly if not directly (Committee on the Status of Women in India 1974: 308).

This Report pointed out that the dynamics of social change and development had adversely affected the majority of women and had created new imbalances and disparities. The Report stressed that disabilities and inequalities imposed on women had to be seen in the total context of the society, where large sections of the population—male and female, adults and children—suffer under the oppression of an exploitative system. Any policy or movement for the emancipation and development of women has to form part of a total movement for removal of inequalities and oppressive social institutions if the benefits and privileges won by such action are to be shared by all women and not to be monopolized by a small minority.

After a debate on the Report, Parliament adopted a unanimous resolution to initiate a comprehensive program of legislative and administrative measures aiming at removing the economic and social injustices, disabilities, and

discriminations to which women in India were being subjected. After the mandate from Parliament, the Government of India framed a National Plan of Action for Women based on the suggestions recommended in the Report. The recommendations of the U.N.'s World Plan of Action of the 1975 Mexico World Conference on Women were also incorporated.

A Women's Welfare and Development Bureau was established in the Ministry of Social Welfare to act as the nodal point within the Government, to coordinate policies and programs, and to initiate measures for women's development. It was backed by an interministerial study committee; special cells for women were also established in the Ministries of Labour and Employment and Rural Development.

IV. Policy Shift

Gradually a policy shift occurred: from viewing women as targets of welfare policies they began to be seen as critical groups for development. The scope of social welfare was enlarged in the Fifth Plan (1974–1978) to cope with several problems of the family and the role of women. The Sixth Five Year Plan (1980–1985) included for the first time a chapter on women's development, due to the continuous efforts of the women's movement and the international visibility that women's issues gained because of the International Women's Decade. It emphasized women's economic independence, educational advancement, and access to health care and family planning, and adopted a multidisciplinary approach with a three-pronged thrust on health, education, and employment.

As preparations began for the Sixth Five Year Plan, the Planning Commission appointed a working group on employment of women and encouraged the Ministry of Agriculture and Rural Development to review the programs and policies. The Ministry of Education, already involved in the promotion of the National Adult Education Programme, appointed a special committee to advise the Adult Education Programme for Women. The Ministry of Industrial Development also appointed a working group on self-employment for women. Researchers and representatives of organizations also started deliberating with the government representatives. With the beginning of the 1980s, special attention to women's issues was initiated at the center.

The document "Forward-Looking Strategies for the Advancement of Women," (United Nations 1985) which emerged at the end of the International Decade for Women, gave new importance to women's issues. An important response of the Government to this document was to revitalize the machinery at the national level by setting up a separate Department of Women and Child Development under the newly created Ministry of Human Resource

Development. The Women's Welfare and Development Bureau under the erstwhile Ministry of Social and Women's Welfare became part of the new Department and now functions as the nodal agency for the advancement of women.

This shift in approach is therefore no longer aimed at the hitherto "developmental goal" but in fact the thrust is on "empowerment" of women. The manifestation of this shift is evident in the following trends:

- i) The need to educate women is being emphasized in order to achieve the goal of empowerment.
- ii) "Economic self-reliance" of women and not merely provision of "economic aid" is informing the orientation of programs and policies.
- iii) Political process is being redefined: the concept of women as a distinct "class" has gained recognition and is being addressed in the sociopolitical realm.

The realization that, although women have a stake in politics as large as that of men, they do not have their share of political power prompted the initiation of the 73rd and 74th Constitutional Amendments. These provided for 33% reserved seats for women in Panchayati Raj Institutions (rural units of local governance and urban societies of local government).

The former "voters" have gained ascendancy and are being geared to become "cosharers" of political power. Reservation of 33% of seats at the grassroots level in institutions of government and the ongoing debate for similar reservation in the state and national-level institutions are ample evidence of this new phenomenon.

A review of the state welfare policy on women during the past decades of the Indian Republic brings the reality to the surface. The picture that emerges is both positive and negative. It is a truism that in the early decades women were looked at as components of social welfare programs, not of development. Women's subordination was due not only to male domination, but also to the basic economic and political structure of society, which was reinforced by the same male domination. Initially, planners and policy makers were reluctant to question these, though they were contrary to the constitutional guarantee of social, economic, and political justice.

The National Perspective Plan for Women (1988) was drawn up to facilitate mainstreaming of women's issues in major policies and programs. It contains recommendations aimed at the development of women by focusing on the sectors of rural development, health care, legislation, political participation, education, employment, support services, communication, and voluntary action.

An important milestone of this period was the historic report “*Shramshakti*” prepared in 1998 by the National Commission for Self-Employed Women and Women in the Informal Sector appointed by the Government under the Chairmanship of Ela Bhatt (National Commission for Self-Employed Women and Women in the Informal Sector 1988). It highlighted the contribution of the marginalized women in the rural and urban areas to the national economy. It made some important recommendations such as recognizing women’s work as homemakers and producers, setting up an exclusive credit body for poor and self-employed women, and linking training programs to employment.

Some of these recommendations have been implemented. The National Credit Fund for Women called the “Rashtriya Mahila Kosh” was set up in 1993 to give poor women credit at reasonable rates of interest through nongovernment organizations working in rural areas. Another major initiative to raise the economic status of women was the “Mahila Samridhi Yojna.” It gives rural women greater control over their household resources and enables them to save and improve their financial assets. A high-level statutory body, the National Commission for Women, was also set up to monitor matters relating to the constitutional and legal rights of women. Since 1986–1987, Women’s Development Corporations have been set up in the states to play an important role in strengthening the economic activities of women, and Mahila Samakhya schemes have been initiated to empower women (Desai and Thakkar 2001: 152).

The Eighth Five Year Plan (1992–1997) made an attempt to shift the approach from “development” to empowerment of women. It stressed that the benefits of development from different sectors should not bypass women. Special programs for women were framed to complement the general development programs. The Ninth Plan continued along the same lines. It is noteworthy that the Plan outlays have increased to meet the needs of women and children. The outlay of Rs40 million in the First Plan (1951–1956) has gone up to Rs20 billion in the Eighth Five Year Plan (1992–1997) and has been further increased in the Ninth and Tenth Plans respectively.

Following are some of the other significant steps taken by the Government regarding women’s issues:

- i) a chapter on Education for Equality within the National Policy on Education (1986);
- ii) the Report of the National Expert Committee on Women Prisoners (1986);
- iii) 27 women-specific beneficiary-oriented schemes monitored by the Prime Minister’s Office;

- iv) the National Plan of Action for the Girl Child (1991–2000);
- v) provisions of reserved seats for women in elected bodies at local level by 73rd and 74th Constitutional Amendments (1993);
- vi) poverty eradication programs and self-help groups under the National Bank of Agriculture and Development;
- vii) support to training and employment programs for upgrading the skills of poor women and for providing them employment under the Integrated Rural Development Programme (IRDP);
- viii) the Training of Rural Youth in Self Employment; Jawahar Rozgar Yojana; Indira Awas Yojana; Development of Women and Children in Rural Areas;
- ix) a network of support services for women and children belonging to the weaker sections, programs for training women in nontraditional areas, gender sensitization, awareness generation, literacy and legal literacy programs and extension of support services such as hostels and crèches.

An overview of the government initiatives on women's issues shows that in the last 4 decades, development planning for women has straddled principles spanning welfare, development, equity, efficiency, and empowerment.

Development planning was the pride of the new nation, which involved massive investment of financial and physical resources. The main goal of the State was achievement of economic growth, with a hope of realizing self-sufficiency in food; creating a strong industrial base in the public sector; and generating employment opportunities. The planning process further included welfare orientation, so that the interests of the deprived sections of society were protected. The independent state was far more concerned with higher growth, modernization, and industrialization; social welfare activities were identified as appropriate interventions to deal with the problems of certain target groups, including women. It was mentioned in the National Plan of Action that women are “handicapped” by social customs and social values, therefore social welfare services should specially endeavor to rehabilitate them.

The growing erosion of optimism regarding the “Nehruvian model,” the ideal of wiping the last tear from the eye of the poorest man and creating a socialistic society, coupled with the impact of market forces unleashed by liberalization and globalization, led to structural adjustments. The important role of women that was previously invisible—in social and economic development—began to be focused and highlighted. The United Nations Declaration of the Decade for Women (1976–1989) played a crucial part in it. This led to considerable shifts in approaches by academic researchers and policy makers. The earlier preoccupation of researchers with the role of women

within the family and their reproductive responsibilities was replaced by attempts to understand the complexities of women's employment and their productive activities. Research on both waged workers and those in the informal sector, in urban areas and rural areas, helped in identifying the range of low-income women's income-generating activities in the national economy. Policy makers also began to shift focus from a universal concern with welfare-oriented, family-centered programs that assumed motherhood as the most important role for women in the development process to a diversity of approaches emphasizing the productive role of women.

Thus the women in development (WID) approach gained ascendancy, the underlying rationale of which was that women are an untapped resource that can provide an economic contribution to development. The WID approach, despite its change in focus from one of equity to one of efficiency, is based on the underlying rationale that development processes would proceed much better if women were fully incorporated into them instead of being left to use their time unproductively. It focuses mainly on women in isolation, promoting measures such as access to credit and employment as the means by which women can be better integrated into the development process (Chopra 1999: 4).

However, the introduction of the New Economic Policy after the mid-1980s, led to structural adjustments that were even more pronounced in the 1990s, targeting production for global markets, opening up the economy to other nations, and making market forces the sole determinant of economic and other activities. This affected all spheres of life and led to the emergence of new issues that affected Indian women substantially.

New market forces, with their emphasis on technology and management, began determining the contours of national development, including women's issues. The political, administrative, and ideological changes also raised pertinent issues regarding the deprived sections, viz., women. Approaches to issues of women in developing countries therefore took a further shift, principally in academic research. The limitations of focusing on women in isolation are being recognized, and attention is being drawn to the need instead to look at "gender and development" (GAD). This focus on "gender" rather than "women" is influenced by the manner in which the problems of women were perceived in terms of their "sex," that is, their biological differences from men, rather than in terms of their gender, that is, the social relationship between men and women in which women have been systematically subordinated. The focus on gender rather than on women makes it critical to look not only at the category "women"—since that is only half the story—but at women in relation to men, and the way in which relations between these categories are socially constructed. Men and women play different roles in society, with their gender differences

shaped by ideological, historical, religious, ethnic, economic, and cultural determinants. These roles show similarities and differences between other social categories such as class, race, ethnicity, and so on. Since the way they are socially constructed is always temporally and spatially specific, gender divisions cannot be read off on checklists. Social categories therefore differentiate the experience of inequality and subordination within societies. A brief reference to some issues in the Indian context might aid comprehension of the ground reality.

After the mid-1980s, communal issues escalated, especially with such events as the Shah Bano case for maintenance in 1985,² the Roop Kanwar incident of Sati in Rajasthan 1987,³ and the Adyodhya dispute in 1992. All these events gave a communal color to various policies, and drew attention to the plurality and diversity of people and issues. The trend of articulating demands through the community perspective gave rise to identity politics; the perception of Indian women as a homogenous entity was shattered, giving rise to different voices articulating varied concerns. Though the diversity of women's status had been recognized earlier, and, to an extent so had issues of region, community, caste, and class, it was nonetheless felt that at least a few problems were common to all women as victims of patriarchy. The major shift came when difference meant that one group could not speak on behalf of another. Thus, one of the major challenges today is the articulation of women's issues not as a unified agenda but as demands based on different identities.

The acceptance of globalization and the entry of multinationals and market forces as dictated by the World Bank and the International Monetary Fund changed the thrust of the economy, and the polity, education, and culture underwent a perceptible change. The visibility of women as agents during communal and caste conflicts brought about significant change in the thrust

² The judgment in *Mohd. Khan vs. Shah Bano and others* (AIR 85 SC 945) attracted the attention of the nation and had an impact on national politics. It was held here that a divorced Muslim woman, so long as she has not remarried, can claim maintenance under section 125 of the Criminal Procedure Code. The judgment recognized the right of the divorced woman to maintenance and pointed out the need for a common civil code. This stirred the conservative elements in Muslim society. The Government of the time bowed to the pressure and the Muslim Women (Protection of Rights of Divorce) Act was passed in 1986. This law has provided for maintenance of the wife during the iddat period. It further provides that if a divorced woman is not remarried and is not able to maintain herself after the period of iddat, she can claim maintenance from such relatives as would be entitled to inherit her property on her death (first from her children, then her parents and other relatives) and if no relative is able to pay such maintenance, from the Wakf Board. This legislation was a rude shock to the progressive elements. The courts have, however, taken a progressive stand in a few cases pertaining to maintenance even after this Act was passed. But the Supreme Court has, by and large, not taken any step that would disturb the status quo in Muslim society. On various occasions it could have struck down discriminatory provisions in Muslim law, but it chose to be on the periphery by holding that the controversy pertained to the legislative field.

³ Roop Kanwar, a young and educated girl of Deorala village in Rajasthan, was said to have burned herself alive on the pyre of her husband and it became an event that was glorified by members of the particular community.

of research. The studies shifted from considering women as victims to considering women as agents with power to influence the politicocultural system, positively and negatively. The phenomenon of docile, illiterate, subordinated women becoming articulate and assertive leaders in the new panchayats has also gained the attention of researchers.

In pre-independence India, while provisions of health care and education services had been increasingly demanded from the state, social welfare programs were administered mainly by voluntary agencies. No comprehensive nationwide program provided welfare services. After the attainment of independence, it was felt that the social and economic uplifting of the masses required government assistance to strengthen the services rendered by voluntary agencies. The administrative structure inherited from the colonial government was clearly not equipped for this task. In 1953, the central Government therefore created a new agency, the CSWB, to promote welfare and development services for women, children, and other underprivileged groups by providing assistance to voluntary agencies, improving and developing welfare programs, and sponsoring them in areas where they did not exist. Following the creation of the CSWB, the state governments set up, at the request of the CSWB, state social welfare (advisory) boards, for the same purpose. This was necessary, as welfare is a state subject.

V. The Rajasthan Experience

The concept of social welfare included in its ambit the underprivileged sections of society in totality. The categories requiring the attention of the responsible department were so variegated that the gender issue did not acquire the requisite visibility and attention. Therefore, in 1984 the government of Rajasthan established an altogether new department, the Women and Child Department. Implementation of comprehensive programs aimed at women's development and empowerment was the specific purpose of this newly created department. Programs and policies initiated by both the central and state governments were to be implemented through this department.

Various programs and schemes related to women's development have seen the light of day due to this department. Considerable overall improvement of the women in the state has been noted. A gradual increase in female literacy, access to credit and employment, etc. took place.

Besides the Women and Child Department, on the pattern of the National Commission for Women, a State Commission for Women was also set up in Rajasthan through an act of the state legislature in May 1999, to monitor matters relating to the constitutional and legal rights of women and also to

eliminate gender discrimination. The wide range of the functions of the commission includes hearing and investigation of complaints regarding misbehavior against women. The commission has been empowered to conduct criminal proceedings in relevant matters and also recommend measures for the redress of grievances.

With the acceptance of New Economic Policy, liberalization, the information explosion, the market economy, etc., the role of women in society has undergone tremendous change. As stated earlier, the WID approach to development proved inadequate and the GAD approach appears more suited to the ideal of empowerment of women. The adoption of the Women Policy in the State of Rajasthan in 2000 is a vivid reflection of this GAD approach.

The policy was the manifestation of the intention to improve the status of women in the state. It was also aimed at evolving mechanisms for the eradication of discriminatory and exploitative practices toward women. Creation of a congenial environment for overall development and empowerment of women has been emphasized.

The following measures have been identified as leading to the attainment of this policy's objectives:

- i) Implement schemes and programs that would enhance the capacity of women in the enjoyment of their constituted and legal rights, and also ensure gender equality and justice.
- ii) Recognize the productive role of women in family and society.
- iii) Prioritize fulfillment of girl children's and women's needs in acute conditions of poverty and adverse conditions.
- iv) Eliminate malnutrition, ill health, and early-age pregnancy and initiate health care facilities catering to all stages of life.
- v) Provide compulsory education for girls, at least at the primary level, and provide opportunities for basic and continuing education to illiterate women. Provide opportunities to women for acquiring the highest possible levels of education.
- vi) Create a congenial atmosphere and appropriate mechanisms to generate gender sensitivity in the personnel of all departments, opinion makers, media, and politicians.
- vii) Enhance the participation of women in the political process and also ensure their involvement in decision making for development.

The Women and Child Development Department established in 1984 has been made the nodal agency to implement the above policy, and also to coordinate and supervise the activities of different agencies and departments engaged in the implementation of various government policies and programs

designed for the development of women. This nodal agency has been assigned the responsibility of ensuring coordination between relevant government departments, public institutions, banks and other financial institutions, and women's groups and organizations. It has also been assigned the specific responsibility of procuring progress reports from the concerned departments and agencies that are to be submitted to the State Commission for Women.

This Commission has been expected to make recommendations in this context to the state government, and the latter would ensure the compliance with the same. To ensure enforcement of the recommendations, a committee under the chairmanship of the Chief Minister was contemplated. This has been supplanted by a committee under the chairmanship of the Chief Secretary of the State to monitor and review biannually the implementation of policies and programs for women's development.

VI. Concluding Observations

A review of the implementation of the above policy and various programs in the state reveals that women's empowerment, as it has been articulated, has been mostly rhetoric. Gender has been co-opted in the language of various policies but the fact remains that mere rhetoric cannot solve problems. The burgeoning of conflicts and caste and community identities in recent years has yet to elicit an adequate response from the administrative system. In the pursuit of liberalization, the state is gradually withdrawing from vital areas of education, health care, environment, and social services, thus deepening the suffering of the deprived sectors. Undoubtedly the role of civil society in democratic governance is crucial, but the state cannot be absolved of its accountability.

The 73rd and 74th Amendments have proved to be milestones in the process of enhancing political participation in Rajasthan. Women are being absorbed into formal politics at the local level and are gradually shattering the myths regarding their inefficiency, inability to govern, rule by proxy, etc. Evidently the success stories of these elected representatives at the local level (e.g., Panchayati Raj Institutions) have sent signals of the determined efforts of women for change, creating anxiety in male-dominated power structures and scaring them about the extension of power assertion if reservation is extended to state and parliamentary elections. Thus, relevant opposition to the Bill proposed for reservation for women in Lok Sabha (Central Legislature) and Vidhan Sabhas (State Legislatures) is strong.

An attempt at stocktaking of the "gender responsiveness" of the state government reveals that the proliferation of policies and plans of action for women still too frequently fail to be translated into practice. Unfortunately, in

India the term “culture” has been frequently used as a blanket explanation for constraints responsible for the “gender blindness” in policy formulation. The use of this term in such a pejorative manner as a casual explanation of failure raises the issue of whether planning is really a neutral activity and likewise, the planning and implementation processes.

A review of governance in the state of Rajasthan (India) with specific reference to “gender-responsiveness” in the last decade reveals that the issue of “gender” is an “add-on” rather than an integrative approach to the mainstream policy and planning exercise. Pertinent issues such as policy shifts in approach toward hitherto “invisible” gender issues by successive governments in the states are yet to be translated successfully into practice. In conventional analysis, political participation means activities related to electoral politics like voting, campaigning, holding party office, and contesting elections. But now such views are being challenged and conceptualized in a broader context. The concept now encompasses all voluntary actions intended to influence the making of public policies, the administration of public affairs, and the choice of political leaders at all levels of government. Political participation is no longer concerned only with the organization of the state and government and the dialectics of the exercise of power; it also seeks to reorganize the lives of the members of society.

Implementation of gender policy is also confronting technical as well as political constraints. The traditional view of planning methodology as a neutral activity needs to be overhauled. The separation of planning from the concrete reality of its context has proved to be “empirically vacuous.” The “manning” of departments responsible for the implementation of gender-oriented policies themselves need to be gender balanced in structure and organization. In other words, organizations need to adopt a more “gendered” approach. This could be accomplished by undertaking extensive training programs aimed at changing the working practices of colleagues within organizations. Formulating policies without the backing of a sound institutional framework is proving meaningless.

The majority of the policies, programs, and projects have not yielded the expected results due to lack of coordination among the relevant departments and agencies entrusted with the onerous tasks. The majority of the programs, projects, and policies lack an integrated approach responding to their multiple socioeconomic roles. A sensitive understanding about women’s different roles has still not emerged in the development planning schemes, and efforts for the betterment of women still remain piecemeal.

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Administrative Discretion and Representative Bureaucracy: Linking Descriptive Representation to Substantive Representation

Ahmad Martadha Mohamed¹

I. Introduction

Much has been said about the public service lately. Most of the time, the opinions tend to be negative. Wasteful, inefficient, arrogant, unresponsive, impersonal, autocratic, and undemocratic are among the harsher criticisms thrown at the bureaucracy. Yet, despite these criticisms, the public service plays essential roles in implementing and enforcing government policies. Many people whose lives have been affected by government agencies though a variety of policies in areas such as income redistribution, environmental protection, crime prevention, and health care management realize the importance of those agencies. However, when government becomes too big and too powerful, it poses a threat to democracy. Thus, when Kingsley (1944) started to argue that the civil service needed to be representative in order to be responsive, he basically introduced a new concept of representation that was previously a domain in the study of political systems. Ever since his conception of “representative bureaucracy,”² a plethora of scholars and practitioners has argued the need for a diverse bureaucratic workforce that reflects the population it serves. According to these scholars, representative bureaucracy enhances its legitimacy in a democratic political system.

A shift in philosophy from avoidance to acceptance of the reality that bureaucracy would continue to generate power in the policy-making process fostered the demand for a more representative bureaucracy. Rourke (1978) contends that although a powerful bureaucracy threatens the “traditional freedoms of democratic society, the bureaucratic power can be used to protect

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² The term “representative bureaucracy” is selected for this study because it captures the essence that bureaucracy should reflect the population it serves. Kranz (1976) adopted the term “participatory democracy” as a synonym for representative bureaucracy. Some scholars, such as Saltzein (1985, 1992) and Meier and Stewart (1992) use the term representativeness and responsiveness interchangeably. Even though responsiveness is similar to representativeness, its application merits another study, because its conceptualization involves a relationship between constituents’ opinions and bureaucratic action.

and extend those freedoms.” The idea of representative bureaucracy was further highlighted by Marini (1971), who points out that “we were reminded of relevance, social problems, personal morality, innovation, clients, the evils of hierarchy and bureaucracy.” In other words, bureaucracy has power and thus needs to be included in the scheme of representation and social justice. Representative bureaucracy has now become essential in a democratic political system. Riggs (1970) asserts that representation in all forms of government is critical to the stability of that government. He points to the rise of public rebellion in various countries as a consequence of the failure to have an equitable representation in the political dimensions of government and its administration. He maintains that there is a “need for diverse elements in a population to be adequately represented in order for a government to command their loyalty as a legitimate expression of common welfare” (1970: 570).

The concept of affirmative action in the bureaucracy is essentially an attempt to broaden the social composition of the bureaucracy to reflect that of the whole population, especially from certain underrepresented groups such as women and African Americans (Kernaghan and Siegel 1989). The idea that a diverse workforce will better enhance customers’ demands is also gaining momentum in the private sector. Kiel (1994) believes that an organization that is reflective of its population will have a better understanding of its clients’ needs. Similarly, Dresang (1974) agrees that an organization that mirrors society allows it to serve as “an index of openness and access.” Furthermore, a large number of private organizations have considered employment diversity to be a good business strategy (Howes 1993). Howes argues that affirmative action has now become a prerequisite for future success or even survival for any organization.

Building upon this foundation, I intend to explore this issue in greater detail, especially as it pertains to Malaysian bureaucracy. The first part of this article explores the theory of representative bureaucracy, highlighting previous empirical studies that explore the transition from descriptive representation to substantive representation in government agencies. The second part explores the concept of administrative discretion and highlights how individuals’ perceptions of the discretion influence the formation of a representative role. The final section explores the hypothesis that individual administrators who perceive themselves as advocates of certain groups prefer policy outcomes that are more responsive to the interests of women and minorities than those of their colleagues.

II. The Theory of Representative Bureaucracy

A general consensus maintains that the mere existence of various institutions of public accountability is not enough; they have to be effective in protecting the interests of the public. This is because the quality of governance is determined not by the objective perceptions of a few experts but by the net impact of government policies on the well-being of its citizens (Shah 1996; Huther and Shah 1998). The quality of governance is thus enhanced by closely matching government services with citizen preferences, as well as by moving government closer to the people it is supposed to serve, something that ensures greater accountability of the public service. In recent years concern has proliferated about the consequences of governance and misgovernance (Kaufman, Kraay, and Zoido-Lobaton 1999). For example, a few empirical studies have demonstrated the link between accountability and performance. Wade (1994) finds that when irrigation officials in India and Korea face more local pressure, they tend to perform better than traditional arrangements that insulate them from political pressure. In addition, Isham, Narayan, and Pritchett (1995) reveal that aid-financed rural water supply projects performed much better with greater participation from their beneficiaries. A wealth of cross-country indicators of various aspects of governance now strongly suggests that good governance improves government accountability to citizens and enhances the quality of public services (Kaufmann, Kraay, and Zoido-Lobaton 2000).

These concerns have certainly renewed interest in protecting democratic values as they pertain to control of government agencies. The growth of public agencies has forced theorists and practitioners to revisit bureaucratic paradigms such as fairness, representation, participation, accountability, responsiveness, political neutrality, efficiency, rationality, and expertise. Yet, the very nature of public administration poses problems to accommodating these values. For example, bureaucracy consists of appointed public officials and has a tendency to rely on expertise and knowledge over accountability, participation, and democratic control (Weber 1968; Mosher 1968). In addition, bureaucrats' lack of accountability at the ballot box, as well as various civil service regulations that insulate them from political pressure, further compound the fear that bureaucratic power comes at the expense of public interest (Krislov and Rosenbloom 1981).

Hence, the essence of traditional public administration that tends to be rigid, rule-bound, centralized, insular, self-protective, and profoundly antidemocratic has often collided with the contemporary paradigm of bureaucracy that "allows qualified voters an efficient instrument through which the will of the people may be expressed; makes officers both responsive and responsible;" and ensures the common welfare (Lynn 2001). Thus, a critical

question in the field of public administration is whether or not these bureaucratic characteristics are legitimate in terms of democratic principles. In this regard, David Rosenbloom (1993) opines that the legitimacy of bureaucracy occurs when bureaucratic policy making is subject to direct popular control. If bureaucracy is isolated from public accountability, then bureaucracy can in no way be responsive to public interests and desires. As a result, we are faced with the persistent problem of how best to ensure bureaucratic responsiveness and accountability to the public.

Representative theory initially emerged during the Greek civilization. Aristotle first mentioned the importance of representation of different classes of society in government (Vietri 1981). Book III of the *Politics* is always regarded as the foundation of political science in the West. The *polis*, the supreme form of community for Aristotle, is the best community, because it enables rational men to participate in the political process. However, Aristotle also believes that class conflict between the rich and the poor is inevitable in all societies. This conflict always poses a threat of instability, violence, and revolution. Hence, blending the class interests in government by supporting political equality avoids conflicts and at the same time increases legitimate sovereign authority.

The writings of Karl Marx and Max Weber also contribute to the development of representative bureaucracy. The elimination of class-biased bureaucracy and the emergence of classless administrative systems came about because of Marx's fear of the danger of dominant bureaucracy. Likewise, Weber's rational-legal approach allowed unrepresented groups to seek access to government. For example, the procedures of merit-based appointment increased the democratic potential of all groups to join the civil service (Krislov 1967). However, the contemporary intellectual roots of the idea of representative bureaucracy can be traced to J. Donald Kingsley. Kingsley's comprehensive analysis of the British civil service revealed a pattern of administrative arrangements that reflected the character of the social structure of the nation. In his view, because the middle class dominated British society, it was inevitable that the composition of the bureaucracy was largely middle class (Kingsley 1944).

Since Kingsley's discovery of the term, the concept of representative bureaucracy has been widely interpreted and debated. David Levithan (1946) was the first to propose that representative bureaucracy be integrated into the American civil service. He contended that representative bureaucracy could act as an internal control on the behaviors of administrators and hence could promote democratic values. Following Levithan, Long (1952: 813) espoused a more extreme form of representative bureaucracy. He suggested that

Given the seemingly inevitable growth in the power of the bureaucracy through administrative discretion and administrative law, it is of critical importance that the bureaucracy be both representative and democratic in composition and ethos.

In essence, Long believed that a representative bureaucracy enhanced the democratization of the American civil service by promoting the interests and demands of the people it represented. Building upon this theory, Van Riper (1958) argued that an “open public service” was necessary so that the American public service consisted of a reasonable cross-section of the population by occupation, class, and geography. To create a representative bureaucracy, he argued, government should accelerate the upward mobility of women and minority administrators through an equal opportunity system. He was basically the first American scholar to emphasize social characteristics as part of the representative concept. Meanwhile, Subramaniam (1967) suggested that representative bureaucracy is an organization “in which every economic class, caste, region, or religion in a country is represented in exact proportion to its number in the population.” Krislov (1967, 1974) also argued that American bureaucracy should be representative in its social composition. He posited several advantages of having a diverse workforce:

The most obvious is the simple representational notion that all social groups have a right to political participation and to influence. The second one can be labeled the functional aspect; the wider the range of talents, types, and regional and family contacts found in a bureaucracy, the more likely it is to be able to fulfill its functions, with respect to both internal efficiency and social setting. Bureaucracies also symbolize values and power realities and are thus representational in both a political and an analytic sense. Therefore, finally social conduct and future behavior in a society may be channeled and encouraged through the mere constitution of the bureaucracy (1974: 64).

However, even after 2 decades during which representative bureaucracy became a concept of considerable importance as an explanatory tool in the discussions of the American civil service, its concepts, meanings, and applicability remained ambiguous and underdeveloped. As a result of this confusion, Mosher (1968: 14–15) attempted to clarify the concept of representativeness by introducing the passive and active form of representation. Mosher advocated the form of passive representation because

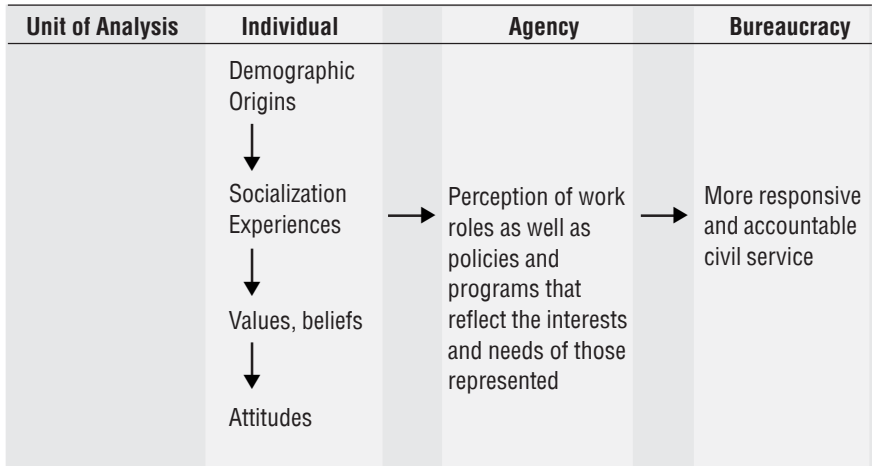
the passive (or descriptive) meaning of representativeness concerns the origins of individuals and the degree to which, collectively, they mirror the whole society. It may be statistically measured in terms of locality or origin... and its nature (rural, urban, suburban), previous occupations, father's occupation, education, family income, family social class, sex, race, religion. A public service... which is broadly representative of all categories of the population in these respects, may be thought of as satisfying Lincoln's prescription of government "by the people" in a limited sense.

Mosher believed that passive representation was important because it signified democratic values such as open service, equal opportunity, social mobility, and participatory management. Kranz (1976) further expanded the concept of representation by emphasizing the idea of proportional representation. For example, he pointed out that a bureaucracy is representative if the ratio of a particular group in an agency equals that of the group's percentage in the population. He argued that a representative bureaucracy was desirable for economic, social, and political justifications in such a way that bureaucracy was not only providing essential services but also was becoming a source of jobs, as well as "a potential form of significant group representation" (Kranz 1976: 135). He reiterated that the public sector was the preferred avenue for women and minority grievances, since it offered them greater employment opportunities.

Thompson (1976) illustrated three different forms of bureaucratic representation that could increase bureaucratic responsiveness to particular groups and advocate their interests in the policy outputs. First, he underlined the importance of demographic representation in the civil service, which would reflect certain characteristics of the population. Secondly, he emphasized the attitudinal representation in which citizens' values and beliefs must be proportionately represented among public administrators. Finally, he argued for substantive representation, such that the actual behavior of bureaucrats should benefit intended social groups. In addition, Krislov and Rosenbloom (1981) were interested in integrating bureaucratic power into democratic government. In a similar manner to Thompson's, they also proposed three types of representation: representation by personnel (diverse workforce), representation by agencies (agencies promote specific groups' interests), and representation through citizen participation (citizens have greater access to decision-making processes). These representation models have indeed been part of administrative reforms aimed at increasing greater accountability and responsiveness. In short, the different versions of representation clearly emphasize the new perspective of the role of representative bureaucracy within the context of democratic theory.

A representative bureaucracy that broadly reflects the values, interests, aspirations, and desires of the general public has a legitimate position in a democratic country. Administrators who come from various demographic backgrounds will initially be much more sensitive to the issues and interests of their own groups and thus be able to make policy decisions that reflect those interests. However, individual administrators normally go through socialization processes that influence their values, beliefs, attitudes, and behaviors. These socialization experiences in turn shape the way they perceive their work roles as well as their policy decisions. Thus, different socialization experiences will produce different perceptions of work roles and different bureaucratic decisions. This means that administrators who first come into the civil service with specific values and beliefs might not be able to hold on to those values and beliefs anymore. The organizational values and beliefs will now be more likely to shape their attitudes and behavior. Figure 1 illustrates the conception of representative bureaucracy that underlines this logic.

Figure 1. Basic Conception of Representative Bureaucracy



Source: Author's researches.

III. Administrative Discretion and Representative Bureaucracy

The essential role of government bureaucracy in formulating and implementing public policies makes it a central player in a democratic nation. Bureaucratic actions basically constitute what government chooses to do or not to do. The original politics/administration dichotomy has clearly faded because of the increasing importance of civil servants in the policy-making processes. Scholars of public administration have long recognized that bureaucracy has now become the center of political power and authority. It has a direct impact upon the population because of its role in the decision-making and implementation processes (Weber 1968; Peters 1988; Thompson 1961; Lenin 1969; Kingsley 1944; Herring 1936; Appleby 1949; Wright 1974–75; Sutherland 1993; Kaufman 1954, 1978; Friedrich 1978; Finer 1978).

However, the degree of administrative discretion required to implement public policy stands in stark contrast to the democratic government requirement of popular sovereignty. As a result, the delegation of policy-making authority to government agencies raises a serious dilemma in democratic societies. On the one hand, bureaucratic discretion is essential because lawmakers cannot foresee all possible circumstances surrounding the application and execution of public laws. On the other hand, their lack of accountability to political pressure further constrains the ability of legislatures to control bureaucratic behavior (Meier 1993a; Mosher 1982; Redford 1969; Ripley and Franklin 1991; Rourke 1992). Consequently, bureaucrats are often called upon to make judgments based on their experiences, expertise, and intuition, rather than in the interest of the public (Warmsley et al. 1990).

In addition, a serious concern arises that certain agencies of government seem to develop a special relationship with special private interests, the very interests they are supposed to regulate, again suggesting the inability of public agencies to ensure bureaucratic responsiveness and accountability to the public. Lowi (1969) argues that the exercise of discretion tends to neglect the larger public interest. As a result, he proposes a “juridical democracy” that enlists detailed legislative action designed to eliminate discretion. In addition to specific legislation and greater legislative review of administrative actions, other proposals have suggested increasing public accountability. Cooper (1982) discusses various roles, obligations, and objective responsibilities that limit the boundaries of administrative actions. Gawthrop’s (1984) system theory is a mechanism used to redesign organizational structures to achieve bureaucratic responsiveness. Ziegler and Tucker (1978) argue that efficiency and responsiveness can only be maintained when policy initiative rests with the elected representative. Furthermore, economics-based approaches have also contributed to the search for democratic accountability. The principal-agent

model that is widely used in economics, management, and sociology (Levinthal 1988; Zucker 1987) has become a powerful new tool for assessing bureaucratic responsiveness. This model stipulates that the principals (executive and legislative) design incentives and sanctions to control administrators' behavior so that the behavior is always in conformity with the policy preferences of the principals (Wood and Waterman 1993).

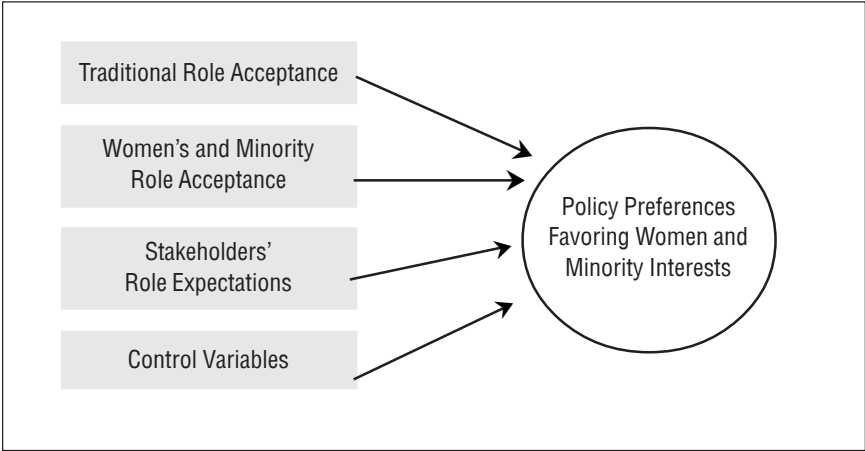
Finer (1972) has also argued for greater legislative control and increased supervision of administrative activities as a means of controlling bureaucrats. Fearing that bureaucrats' views become the dominant view of society, he recommends that legislatures engage in detailed supervision of government agencies. Recent theoretical and empirical studies (Ferejohn and Shipan 1990; Carpenter 1996; Hamilton and Schroeder 1994; Wood and Waterman 1993, 1994) have all highlighted the utilization of mechanisms such as administrative procedures, appointments, budgets, and oversight hearings to enhance bureaucratic responsiveness in public agencies. Other empirical studies even indicate that many public administrators believe that elected officials should exercise some degree of dominance over them (Green 1982; Gruber 1987).

Finally, the growing influence of the democratic accountability model on administrative theories brings forth the argument for a representative bureaucracy. Proponents of representative bureaucracy argue that bureaucratic decisions reflect the general will of the population if bureaucratic composition shares similar characteristics of the population, such as geographical locations (Denhardt 1992), social classes (Kingsley 1944), and race or gender (Krislov 1974). Van Riper (1958) argues that the concept of representative bureaucracy offers a positive perspective on the theory of administrative responsibility. Others argue that the representative nature of bureaucracy makes it potentially responsive to the needs and interests of the population (Long 1952; Meier 1993a; Saltzstein 1985, 1992). A bureaucracy that consists of people from diverse backgrounds can certainly influence policy preferences to be in sync with the interests and demands of the groups they represent.

IV. Variables in the Model

The model for examining the linkage between descriptive representation and substantive representation is shown in Figure 2.

Figure 2. Relationship between Descriptive and Substantive Representation



Source: Author's researches.

A. Stakeholders' Role Expectations

The focus of this variable is to examine administrators' perceptions of what significant others perceive their role should be. With such a focus, the aim is to demonstrate that an administrator defines his or her role with reference to others. For example, role theorists infer that a certain behavior will follow a particular position. (For a further discussion of role theory, see Gross, Mason and McEachern 1958: 12; Conway and Feigert 1972: 124-125; and Linton 1945.) Individuals' attitudes are thus a reflection of the attitudes held by the group with which he or she associates. Michael Dawson (1994) calls this attachment being "one of us." He defines this notion of linked fate as the degree to which particular groups believe that their own self-interests are linked to the interests of others. As a result, the role itself is formed by the expectations of significant others and the expectation that the administrator attaches to it. For example, when administrators perceive that the community of minorities and women expect them to represent women's and minority interests, they are more likely to accept this role (Kahn et al. 1964). However, when an administrator perceives that other actors have different expectations of how he or she will behave in this position, the clash of incompatible expectations leads to role conflict. For instance, political leaders expect the administrator to represent their interests and take sides on policy matters. On the other hand, the administrator also feels that his supervisors expect him to be neutral and efficient in carrying out his tasks. As a result of these different expectations, a

public administrator often experiences intra-role conflict. It is generally true that administrators may have to deal with outside actors in carrying out their duties.³ The role expectations of other actors may significantly alter administrators' own perceptions concerning work roles. Actors such as politicians, the general public, superiors, professional associations, women and minority colleagues, and women and the minority community possess different political agendas. Most likely, the role expectations of these actors often do not coincide with the administrators' perceptions of organizational goals.

As a result, administrators must find ways to reconcile these different expectations with their own goals and commitments. For example, literature on representative bureaucracy reveals that minority and women administrators will often advocate policies that cater to the interests of their groups if other actors in the policy-making process hold such expectations for them. Likewise, administrators will tend to follow traditional bureaucratic roles if they perceive that other actors expect them to adhere to bureaucratic norms and practices (see Martinez [1991] and Murray et al. [1994]). Thus, *administrators who perceive that other important actors in the policy environment expect them to represent women's and minority interests are more likely to assume the role of women's and minority advocates and hence have policy preferences that reflect this role.*

B. Women and Minority Role Acceptance

The perception of role orientations is central to this study. Selden (1997: 117) defines roles as "sets of expected behaviors to be performed by a person occupying a particular position." (For further discussion of role orientations, please see Kahn, Wolfe, Quinn, and Snoek [1964], Turner [1956], and Widmer [1993].) Role expectations are demands conveyed by significant others expressed either formally or informally. However, these expectations are not as important as individuals' own perceptions of what is expected of them (Kahn et al. 1964, Turner 1956). This is because according to Kahn et al. (1964: 16), "It is the received role, however, which is the immediate influence on... behavior and the immediate source of... motivation to role performance." As a result, despite multiple role expectations, administrators may ultimately decide which role orientations they will meet.

Several scholars have examined organizational and environmental conditions that influence the role orientations of public administrators (McClain and Karnig 1988, Henderson 1988, Martinez 1991, and Murray et

³ See the detailed account of the intricate and complex relationship between forest rangers and Congress, the executive branch, and the public, especially the environmental groups, in Kaufman 1967.

al. 1994). Although the expectations vary from one significant actor to another, Selden (1997) identifies two most common expectations: representative role orientation and traditional role orientation. The emphasis on the representative functions of bureaucracy was first codified in the “new public administration” school of thought, which essentially dismisses the old Wilsonian tradition that public administration is a value-free practice (Waldo 1971; Marini 1971). The landmark Minnowbrook conference of public administration professionals in 1968 was the earliest indication that the voices for inclusion had started to gain prominence in the administrative arena. Frederikson (1971), one of the proponents of this school, argues that bureaucracy has to be included in the scheme of representation and social justice. Similarly, Riggs (1970: 570) points out that there is a “need for diverse elements in a population to be adequately represented in order for a government to command their loyalty as a legitimate expression of common welfare.” As a result, the idea of representative bureaucracy is not only to create a civil service that is more reflective of its population, but also to strive to make policies that promote the interests of historically disadvantaged groups such as women and minorities. Mosher’s (1982) prescription for passive and active representation is reflective of his position that it is simply not enough to have a diverse workforce. Instead, public administrators should also advocate public policies that advance the interests and wishes of disadvantaged groups. Thus, when administrators perceive their role as advocates of women’s or minority groups, they are more likely to pursue policy preferences that benefit women’s and minority interests. Therefore, *administrators who assume the role of minority and women’s role advocate are likely to prefer policies that advance the interest of women and minority groups.*

C. Traditional Role Acceptance

The traditional bureaucratic roles emphasize economy, neutrality, rationality, meritocracy, and efficiency (Ingraham and Ban 1986). Traditional role orientation is based on the principle of merit and neutral competence. To this end, Kaufman (1956: 1,060) emphatically argues that public administrators need to “do the work of the government expertly, and to do it according to explicit, objective standards rather than personal or party or other obligations and loyalties.” While neutral competence is important, the ultimate objective is efficiency in administration (Denhardt and deLeon 1993). Dahl (1947: 2) concurs that, “the doctrine of efficiency runs like a half-visible thread through the fabric of public administration literature as a dominant goal.” Similarly, Frederickson (1971: 311) asserts that the classic definition of public administration has always been “the efficient, economical, and coordinated”

delivery of public services. More recent observations of public administration also underline the fact that economy and efficiency continue to remain the central values among public administrators (Ingraham and Ban 1986). As a result, it is believed that administrators who accept the traditional bureaucratic role orientation will be less inclined to conceive their role orientation representing any particular group. Specifically, *administrators who assume traditional roles are not likely to engage in behaviors that support the interests of women and minorities.*

D. Control Variables

I also include two control variables in this model: the ethnicity and the gender of the administrator. Since organizational socialization experiences may lead administrators to accept representative role orientation, a control variable of ethnicity is included to determine whether it has any effect on policy preferences (Selden 1997; Selden et al. 1998). In addition, a control variable of gender is included because scholars examining the role of women in government tend to argue that women administrators often have a “heightened awareness of feminist issues [that] often give[s] them a better feel for the problems women encounter, making them especially adept at recognizing when policy solutions fail to account for women’s unique needs” (Dolan 2000: 514). Thus, it is reasonable to assume that gender may have an additional impact on administrators’ policy preferences.

V. Methodology

A. The Research Setting

The focus of the empirical research conducted in this article is the federal ministries in Kuala Lumpur. Since the focal point of the research is the discretionary power of bureaucracy, it was imperative that only higher civil servants be selected. They ranged from officers in the managerial and professional group to top managerial positions such as secretary general, undersecretaries, their deputies and assistants, and directors of departments. The selection of higher civil servants in the study also resonates with the argument by Meier and Stewart (1992) that public administrators who are the subjects of the analysis must first have a significant amount of discretion in the decision-making process. Second, the decisions must have important implications for the groups being represented, and third, the administrators

can be associated directly with the decisions they make. Because these assumptions clearly fit the characteristics of higher civil servants, they are appropriately selected in this study.

B. Data Collection

Data for this study were collected in Malaysia during October 2002 and July 2003. Two main sources were i) government documents, official reports, and national statistics data of Malaysia and ii) survey questionnaires⁴ from a sample of Malaysian higher civil servants from Group A (management and professional and upper management) drawn from 12 federal ministries: the Ministries of Domestic Trade and Consumer Affairs, Women and Family Development, National Unity and Social Development, Youth and Sports, Agriculture, Transport, Works, Home Affairs, Primary Industry, Finance, Energy, Communications, and Multimedia and Human Resources.

The survey was self-administered. I personally distributed the questionnaires to a top-ranking civil servant in each ministry, who then randomly distributed the questionnaires to the officials in the ministry. I specified the time for collecting back the questionnaires and even extended the time when the responses were poor. All of the ministries I surveyed are located in Kuala Lumpur and Putrajaya. The number of questionnaires was distributed based upon the number of Group A officials, as well as the requested number from the relevant ministries. I distributed 545 questionnaires and recovered 205 completed questionnaires, about 37%.

C. Operationalization

Table 1 displays the variables used in this model. The dependent variable examined the policy preferences of administrators. Ordinary least squares regression is used to estimate the equation.⁵

⁴ The questionnaires were pretested at the Universiti Utara Malaysia, Sintok, Kedah, using 15 university administrators to examine the face validity of the items in the questionnaire. The administrators were asked to indicate vagueness in the questions or instructions. They were also asked to identify any questions that were irrelevant or misleading to the subject being investigated. The results of the pretest revealed a few items in the questionnaire that were vague. For example, the word "minority" was vague and therefore needed to be more specific in describing which groups can be categorized as minority.

⁵ Using the variance-inflation factor, the author examined the equation for the possibility of collinearity and multicollinearity and found no significant problem. To determine whether heteroscedasticity was present, the author used the Breusch-Pagan-Godfrey test. The author did not detect heteroscedasticity in the equation (Pindyck and Rubinfeld 1998).

Table 1. Operationalization of Dependent and Independent Variables**Dependent Variable:**

Policy Preferences (Index 1 scaled 0–80%)

Independent Variables

Traditional Role Acceptance (Index 2 scaled 0–80%)

Women and Minority Role Acceptance (Index 3 scaled 0–80%)

Stakeholder's role expectation (Index 4 scaled 0–80%)

Race/ethnicity:

0 = Malays

1 = Minority

Gender:

1 = male

2 = female

Source: Author's researches.**D. Findings and Discussions**

Table 2 presents the results of the regression analysis for the dependent variable policy preferences benefiting women and minority groups. Overall, the variables included in the model account for 34% of the variation found in the policy preferences favoring women's and minority interests. Perhaps most crucial, administrators who perceive their role as that of an advocate of women and minority interests are significantly more likely to prefer policy decisions that advance the interests of women and minorities ($\beta = .45$). Second, although it does not attain statistical significance, the traditional role perception variable is related negatively to policy preferences favoring women and minorities, suggesting that acceptance of traditional role orientation does not further women's and minority interests. Third, as hypothesized, role expectation of other actors has a significant impact on policy preferences favoring women's and minority interests. The positive relationship between perceived role expectations and policy preferences indicates that the more administrators perceive that other actors expect them to advocate women's and minority interests, the more likely it is that they will choose policy decisions that benefit women's and minority interests.

The control variables introduced into the model do not remove the significant influence of women's and minority representative role acceptance

and role expectations of other actors. Because administrators’ perceptions of their roles have been shown to be influenced by organizational socialization, control variables were included to examine whether differences in policy preferences exist between minority administrators and Malay administrators and between administrators of different genders (Selden 1997). The findings indicate that even when gender and ethnicity are controlled statistically, perceived role expectations and the advocacy representative role accepted by administrators affect administrators’ policy preferences.

Table 2. Regression Model for Policy Preference

Independent Variables	Unstandardized Coefficients	Standard Error	Standardized Coefficient
Control Variables			
Race/Ethnicity	-8.450 ^a	2.600	-0.197
Gender	-6.642	1.853	-0.212
Women and Minority Representative Role Acceptance	^a 0.434 ^a	0.064	0.450
Traditional Bureaucratic Role Acceptance	-0.032	0.077	-0.027
Stakeholders’ Role Expectation	0.241 ^a	.093	0.166
R ² = .341			
Adjusted R ² = .324			
F = 20.563			
Number of Cases = 205			
* significant at 0.05			

Source: Author’s researches.

VI. Conclusion

The findings of this study further enhance the understanding of the concept of representative bureaucracy. Krislov (1974) was the first scholar to argue that examining the descriptive representation alone was of limited usefulness. This is because descriptive characteristics of administrators offer little evidence that they will represent the interests of people who are of similar backgrounds. As such, the study to understand how descriptive representation can be translated into substantive representation becomes much more pertinent among representative bureaucracy scholars. By exploring the relationship between role perceptions and policy preferences, this study is able to provide evidence of the linkage between descriptive representation and substantive representation. Despite the importance of ethnicity to administrators' role perceptions and policy preferences, this study strongly suggests that administrators who perceive their role as advocates of women and minorities are more inclined to prefer policy decisions that benefit women and the minority community. Most important, the research also suggests conditions that translate descriptive representation into substantive representation. The data analyzed indicate that role expectations of others and role acceptance significantly influence the degree to which Malaysian administrators engage in substantive representation of women's and minority interests.

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Educating and Training Japanese Government Officials: Current Trends and Policy Study Aspects

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I. Introduction

The Japanese bureaucrat system was established in the early Meiji period (1868–1912). Tokyo Imperial College (currently the University of Tokyo) was founded in 1886, based on the Imperial College Law, for the purpose of cultivating civil servants for the national ministries. One year later, an employment examination for government officials was introduced. In 2002, the total number of civil servants amounts to 4.36 million, consisting of 1.114 million (25%) national and 3.247 million (75%) local government officials.

Currently, civil servants in Japan are facing a very tough situation, as the past decade has witnessed an erosion of public trust. People no longer appreciate government officials due to the exposure of various ethics problems. According to a survey conducted by civil service monitors in 2001, Japanese government officials were considered “elite” because they were judged to be “capable” (54.8%), “hard-working” (35.8%) or possessing a responsible attitude and a sense of public vocation (28.5%) (Jinjin 2002). On the other hand, almost 80% of the people surveyed consider Japanese government officials part of a privileged class that is not on the side of the average person. This reflects the fact that bureaucrats have been losing people’s trust after a series of bad decisions made by high government officials concerning chemical poisoning, acquired immunodeficiency syndrome (AIDS), bovine spongiform encephalopathy, and so on.

In the 1960s, most Western developed countries enjoyed highly stable economic growth, while in the 1970s, growth slowed in most countries as the first and second “oil shocks” impacted almost the entire world. In the 1980s and 1990s, most countries’ tax revenues stopped increasing, while expenditures continued to rise. The resulting “financial crisis” has raised awareness that “governability” is an important and necessary function for a government to possess. At the same time, criticisms of the low efficiency of government and the insufficient and unsatisfactory results of policy implementation are

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frequently voiced. The expression “government failure” often appears and it is clear that trust in the government has been degraded.

The term “New Public Management” (NPM) has been heard quite frequently in various types of mass media as well as in academic and governmental organizations. NPM may be identified as having two main properties:

- i) reducing control by the government, and preferably utilizing the market mechanism as much as possible to solve various kinds of societal and public sector problems by implementing appropriate policies; and
- ii) placing value on results rather than plans and processes; managing inputs and outputs carefully, quantitatively, and accurately so as to “manage for results.”

The first property is based on the observation that the public sector generally comes out poorly when compared with the private sector, which is considered more sensitive and responsive to costs, benefits, and efficiency. Recent moves to define and promote “evaluation measures” in the governmental and public sectors (e.g., by policy evaluation and program evaluation) is representative of the second NPM property (Dror 1971, Dye 1992, Hatry et al. 1981, Jenkins-Smith 1990, Parsons 1995, Quade 1975, Rossi et al. 1999, Weiss 1998, Wholey et al. 1994, Wildavsky 1987).

Under “globalization,” the situation facing the nation has been changing; namely, the development of transportation, communication, and traffic has increased the mutual interdependency between nations in such areas as economics, society, and politics. Thus, each country has been forced to introduce foreign capital investments and deregulation in many areas in order to attain a certain level of economic growth. It is necessary to evaluate quantitatively the economic and political impacts of globalization for each country (Oyama 2004). First, with respect to the domestic situation, we can say that governance has shifted from a vertical relationship (from government to ordinary citizens) to a horizontal relationship (from the public sector only to more widely spread areas, including the private sector). Second, in reference to the international situation, governance has moved from a horizontal and independent type, in which each country has its own governing system, to a vertical network type in which international organizations such as the World Bank, Asian Development Bank, International Monetary Fund, and World Trade Organization regulate various countries. Under globalization, many countries are connected with each other in networks.

II. A Brief History of Sending Government Officials Abroad

In the Edo period (1603–1867), the Tokugawa Shogunate sent young government officials abroad for the first time only in 1862. Since then, a great many government officials have been sent to foreign countries such as the United States (US), European countries, and other countries. Mr. Griffith (Ishitsuke 1992) commented that young Japanese government officials at that time were all “polite, sincere, hard-working, earnest and capable” people with the potential to lead the future Japanese society, and he himself respected their strong will to study and work for themselves and for their own country. Dr. Heinrich Schliemann, who gained fame for discovering the Ruins of Troy, visited Japan in 1885 and wrote in his book that he was surprised to see young Japanese government officials’ sincerity and politeness. By way of example, he praised the officials in the Customs Office who strongly refused to accept “tips” from entering passengers at the baggage claims (Schliemann 1998).

This behavior of old Japanese government officials in the Meiji period is thought to be closely related to our old “*Bushido* spirit.” A book entitled *Bushido: The Soul of Japan*, published in 1899 in the US, was written by a famous Meiji-era Japanese scholar and author Dr. and Professor Inazo Nitobe (Nitobe 1899). This book is written about the philosophy of Bushido. It explains the mental, spiritual, and philosophical standards that *Bushi* (traditional Japanese samurai) must follow in their daily lives as professional samurai. Dr. Nitobe characterized the moral standards of samurai as consisting of such properties as sacrifice, faithfulness, purity, thrift or plainness, honor, and affection. In old times in Japan, samurai were considered and treated as elite, with great privilege and great responsibility. That is why they had to train themselves very strictly and observe very strict moralistic rules. Their lifestyle had to be very simple and humble. This is the traditional Japanese version of “noblesse oblige.” Bushido consisted of the discipline and the rules to restrict samurais’ daily life. Dr. Nitobe argued that samurai should be a respectful model for average people. A true samurai must support justice, should not be interested in just himself, should keep his word, and must be ready to die, if necessary, to prevent injustice or to defend his honor. In this way, Bushido provides the rules for “noblesse oblige” or the spirit of fair play for samurai.

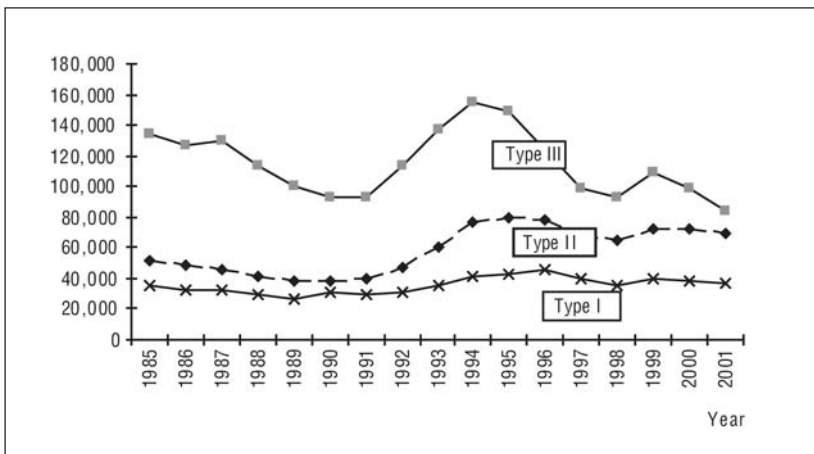
The Bushido spirit described by Dr. Nitobe may not apply to the present world in the same way as 400 years ago. However, I believe this idea, principle, way of thinking, or moral standards can hold even in this information technology (IT) era. Politicians and government officials are also required and expected to be a model for ordinary people. In this sense I believe that the Bushido spirit is especially important and necessary for high-level government officials. If Japanese politicians and high government officials had read Dr. Nitobe’s book, *Bushido*,

and if they had been more familiar with the Bushido spirit, the “bubble period” would not have occurred, nor would recent scandals by high government officials. Moreover, Japanese people would not have been called “economic animals” in the 1970–1980s.

III. Recruiting and Promoting High-level Government Officials

The National Personnel Authority (NPA) is in charge of the recruitment of government officials. Japan has three types of recruitment examinations, in which types I and II are for university and college graduates, while type III is for high school graduates. Those who pass the type I examination and are employed by a ministry are referred to as “career officials” while others are called “noncareer officials.” Figure 1 shows the trend in the number of applicants for the recruitment examination of each type in the last 17 years. It shows that the number of applicants reached a peak in 1995 and has been gradually decreasing every year since. In the last 3 years the total number of applicants has decreased slightly, by a few percentage points, for types I and II and decreased more sharply for type III.

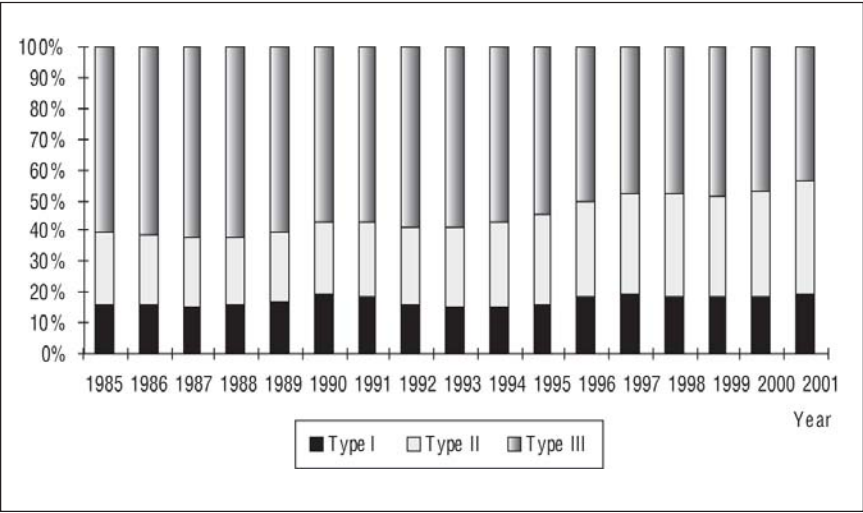
Figure 1. Number of Applicants by Type for Recruitment Examinations



Source: National Personnel Authority.

Figure 2 shows the trend of shares during the same period (1985–2001). We find that the type I applicants’ share is rather stable at around 15%–20%, the type II share has been increasing from 22% to 35%, and the type III share has been decreasing from 60% to 45%. In addition, looking at the academic background for type I applicants in the last 10 years or so, literature and law school graduates have stayed in the majority, slightly increasing their share from 54% to 60%. Science and engineering school graduates have slightly decreased, from 32% to 30%, and agriculture school graduates have decreased from 14% to 10%.

Figure 2. Shares of Applicants by Types for Recruitment Examinations



Source: National Personnel Authority.

Table 1 shows the numbers who passed the recruitment examination over the period 1996–2003 and the type of university they attended. From Table 1 we find that the share of those from public schools (mostly national universities including city and prefectural local governmental universities) who passed the examination has been consistently decreasing in the last 7 years, from 82% to 76%, while the share of those from private schools has been increasing, from 17% to 23%.

**Table 1. Numbers Passed and Employed for Type I Examination
(numbers, % [in parentheses])**

University Type	Year	1996	1997	1998	1999
National	Passed	1,300 (82.1)	1,032 (79.6)	994 (80.2)	1,013 (80.9)
	Employed	555 (82.3)	435 (79.8)	464 (82.1)	486 (82.9)
Private	Passed	280 (17.7)	264 (20.4)	239 (19.3)	236 (18.8)
	Employed	118 (17.5)	110 (20.2)	100 (17.7)	99 (16.9)
Total	Passed	1,583 (100.0)	1,297 (100.0)	1,239 (100.0)	1,252 (100.0)
	Employed	674 (100.0)	545 (100.0)	565 (100.0)	586 (100.0)

University Type	Year	2000	2001	2002
National	Passed	981 (79.9)	1,015 (77.6)	1,227 (76.0)
	Employed	466 (81.9)	490 (81.3)	523 (83.9)
Private	Passed	242 (19.7)	291 (22.2)	377 (23.3)
	Employed	100 (17.6)	113 (18.7)	97 (15.6)
Total	Passed	1,228 (100.0)	1,308 (100.0)	1,615 (100.0)
	Employed	569 (100.0)	603 (100.0)	623 (100.0)

Source: National Personnel Authority.

On the other hand, the share of the employed from public universities is rather stable, around 82%, while the share of those from private universities has decreased a little, from 17.5% to 15.5%. We also find from Table 1 that the percentages of the employed to the employed for public (national) university graduates have been stable at around 42% in the last 7 years, while those for private university graduates have decreased from 42% to 25%. The stated aim of government policy is to diversify those who pass the recruitment examination and are employed by a ministry so that private school applicants should not be at a disadvantage against national university graduates. We find that this government policy has been effective only for those who passed the examination, but it cannot be extended to those who are employed by some ministries.

In 2004, the number of those who passed the type I examination is said to be 1,756, an increase of 6 from the previous year. The number of women who passed the examination amounted to 304, the highest number in history. Women are now occupying a 17.3% share and their number has continued to increase over the last 6 years. Also, we can say that the number of graduates having a master's degree is increasing, both among applicants and among those who passed the examination. The share of the graduate degree holders who passed in 2001 is 48.9% while it is only 25.0% in overall applicants. Academic backgrounds that are well represented among those who passed are science, engineering, and agriculture. Those with a master's degree are in the majority:

79.3% of science and engineering passers have a master's degree, as do 63.0% of those in agriculture. Moreover, master's-level applicants are expected to even more, as we will soon have social science graduates from law school and other types of professional public policy schools.

In 2001, the Cabinet decided on a reform plan for civil servants. It proposed making the ratio of those passing the examination to those employed equal to 4.0. The intent is to gain a more diversified bureaucracy with representation from various types of public and private universities. This plan was opposed by the NPA, since it was feared that it would result in an increase in the unemployed and damage the selected personnel. As it stands, this ratio is agreed to be around 2.5 among ministries.

Table 2 shows the numbers of the applicants as well as those who passed the examination and were employed in 2001. The ratios (A/B) between number of applicants (A) and those who passed the recruitment examination (B) in 2001 are 28.6, 10.1, and 16.3 for types I, II, and III, respectively. The ratios of those employed are 46.4%, 52.5%, and 88.7% for types I, II and III, respectively. Comparing those employed with total applicants, we find that the percentages are 1.63%, 5.21% and 5.43% for types I, II and III, respectively. Thus, we can say that recruitment examinations for government officials in Japan are extremely competitive.

Table 2. Numbers of Applicants, Those Passed, and Those Employed

Type	Applicants	Passed	Employed
I	37,346 (9,583)	1,308 (199)	607
II	69,985 (21,821)	6,939 (1,816)	3,646
III	83,632 (32,909)	5,119 (1,889)	4,543

Note: The number of women is in parentheses.

Source: National Personnel Authority.

The NPA has been trying to guarantee that people will be given an opportunity to be public servants by providing neutrality and fairness with respect to the subjects, structures, and criteria for the recruitment examination. The recruitment examinations have been made fully public since 2002, and scores on the examinations have been considered to be more open. Around 80 so-called Law Schools, which were established in order to reform the country's

judicial system, started to recruit students in April 2004. In addition, professional graduate schools offering a major in public policy have been developed in many universities in order to train professionals to work for planning, implementing, and evaluating policies. These graduate schools aim to educate “future key government officials” and to provide them with highly advanced and professional capabilities in policy planning, implementation, and evaluation. In the future, these graduate schools are expected to be the main sources of future government officials in our country.

The promotion system for Japanese government officials is characterized by two keywords: “slow” and “prize accumulation.” The “slow” promotion system means that almost all officials employed in the same year are simultaneously promoted to the next higher position until a certain level is reached, then the system becomes very competitive. Roughly speaking, the point beyond which promotion becomes difficult is at the level of section chief in the ministry headquarters offices at age 40 or a little above. Generally, “career” officials become section deputy chief at age 30 or so, then are promoted to section chief or equivalent at around 38. The “prize accumulation” promotion system means that the “prize” results from the appreciation of superiors and peers for one’s steady and cautious accumulation of “no error” service to one’s group, rather than for some spectacular positive achievement in one’s position. Thus, the “prize accumulation” promotion system has served to keep officials at their offices for the long term, as they are almost equally treated in both salary and position within the same batch group.

The typical Japanese promotion system characterized by “slow” and “prize accumulation” may be said to have contributed greatly to the motivation of both “career” and “noncareer” government officials to work hard and demonstrate loyalty toward their own ministry. Once they reach the position of section chief at ministry headquarters offices, however, the actual “promotion race” starts: every time someone is selected to a higher position, (e.g., deputy director, director general, councilor, vice minister and so on), the other batch members are offered outside positions and must leave their offices.

According to Self (1997), the promotion system for civil servants worldwide is divided into two types: “closed career system” and “open career system.” The Japanese and European promotion systems belong to the former, while the American system belongs to the latter. The former system is characterized by employing capable and potential staff with a high degree of loyalty toward their ministry. Officials in the closed system tend to be “isolated” from the society and are considered “elite” government officials. In contrast, the open system tends to employ “political appointees” who do not have high loyalty toward their own ministry, as they stay in the offices in the federal government only during the period while their boss (e.g., the US President) holds his position.

IV. Educating and Training Government Officials

Educating and training Japanese government officials in the area of policy studies has been conducted in university schools, government training centers, and government schools and colleges. Both central and local government offices send their staff to these schools for a certain period, for example, a few weeks or a few months or sometimes even a few years.

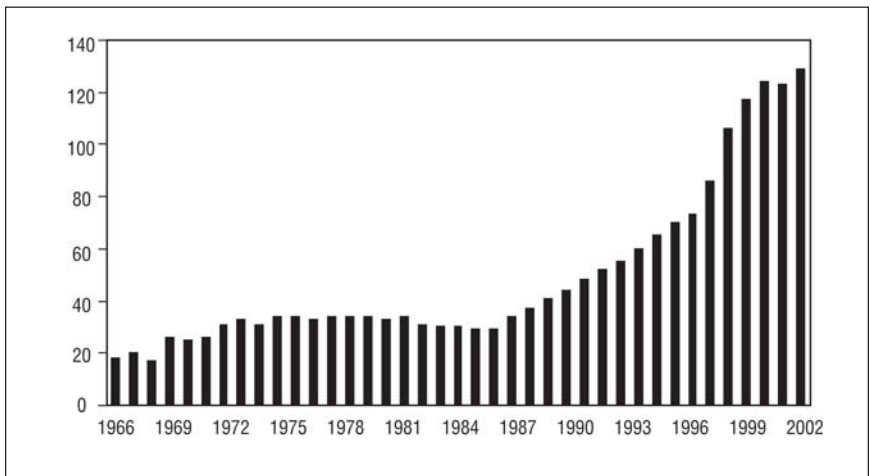
Each ministry, as well as the NPA, has been providing various types of training programs for different levels of government officials. In the year 2000, Japanese ministries provided 16,801 training courses and 186,838 government officials attended these courses. The NPA provided 168 courses and trained 5,915 officials. Most training programs are aimed at giving government officials necessary knowledge and techniques to carry out their duties and responsibilities, in both the present and the future. Training programs, such as sending government officials to foreign and domestic graduate schools and governmental organizations, have been more popular and more common in both short-term (6 months to 1 year) and long-term (mostly 2 years) programs. Short-term courses are generally for government officials who have been working for up to 6 years. By 2001, Japan had sent more than 1,500 officials to short-term courses in the US (1,100), Great Britain (222), France (116), Germany (50), Canada (34) and Australia (12). Figure 3 shows the trend in the total number of these officials from 1966 to 2002. The longer-term programs are mainly for mid-career government officials, who are sent to foreign government and international organizations to work on some special research issues. In 1974–2001, this program sent a total of 970 officials to the United States (481), Great Britain (193), Australia (61), Germany (48), France (47), Canada (46), and others (94).

Training programs that send government officials to Japanese graduate schools are aimed at educating officials who have been working in the office from 2 to 16 years. To be accepted into these programs requires applicants to pass examinations by both the NPA and the graduate school he or she is aiming for. In 2001, 19 officials were sent to five graduate schools; cumulatively these officials attended the University of Tsukuba (101 since 1976), Yokohama National University (39 since 1990), University of Tokyo (55 since 1992), Kyoto University (16 since 1994), National Graduate Institute for Policy Studies (11 since 2000) and Saitama University (97 during 1977 and 1999).

It has been observed that today, young government officials tend to quit more frequently than in previous years. The quit ratio, defined to be the percentage of those who quit their government official's job relative to their intake batch, has recently increased; i.e., for those who entered government offices in 1975, the quit ratio was 0.46%, while 5 years later, those in the 1980

batch had a quit ratio of 0.55%, and this ratio continued increasing further up to almost 1% for 1993 batch. The main reasons for their quitting in the early stage are said to be, first, that they wanted more challenging work and/or more attractive jobs with hopefully a brighter future, and second, that they were not satisfied with their work or the work process. It is said that those government officials who were given an opportunity to study abroad in graduate school tended to quit more frequently.

Figure 3. Total Number of Government Officials Sent Abroad



Source: National Personnel Authority.

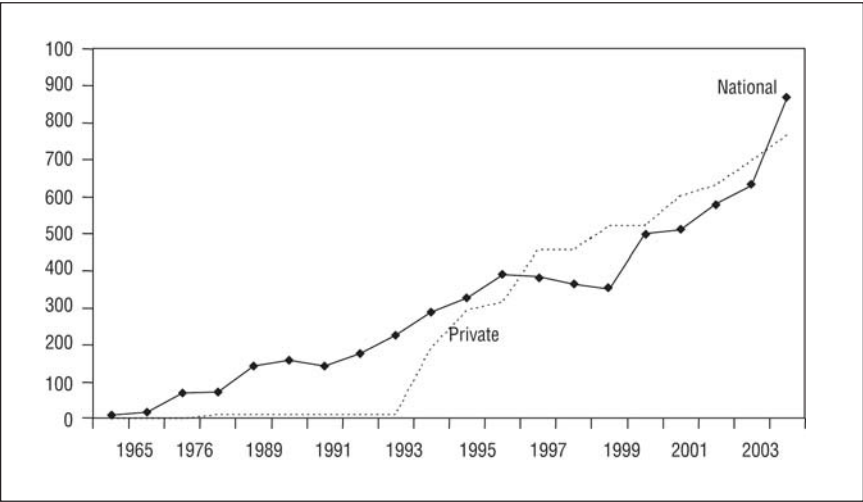
In order to solve the turnover problem, we believe that clear lines of authority and responsibility must be established for each position and government official. This would be a major change, since, historically, most decisions in Japan are not made by individuals, but by certain groups such as committees or negotiation meetings. This rule worked well, as no individual person was responsible for any errors or failures. On the other hand, it is very rare that an individual will be highly appreciated for his individual contribution. We believe we need to establish our own rules and customs to evaluate each individual's contribution to his or her work more clearly and explicitly, on the condition that their authorized commission and responsibility for their job was expressed clearly. To attain this objective, we need to be equipped with an appropriate evaluation system so that all government officials agree to, accept, and follow the evaluation results. An education and training system for government officials needs to be developed so that each government official is

equipped with a certain specialty and expertise. A formal system for evaluating individuals and programs has not been common in Japan, especially for evaluating individual work and contributions. But from now on, we need to “invent” an evaluation system that will make the government officials’ decision-making system work more efficiently. What is needed is a system that will provide the incentive for them to work hard and effectively on their own initiative.

V. Undergraduate and Graduate Schools for Policy Studies

In Japan, policy studies have been conducted in various schools in the university and government research institutes. Public and private universities, in particular, have been very active in the last 20 years in creating many policy-related schools and departments. Figure 4 shows the increasing trend in the number of students majoring in policy-related areas. In 1997, the National Graduate Institute for Policy Studies (GRIPS) was established. The forerunner of GRIPS was the Graduate School of Political Science (GSPS) that was part of Saitama University during the period 1977–2001. At this writing, more than 700 foreign government officials from a total of 60 different countries have been trained at GRIPS and GSPS. In the last 25 years, GSPS/GRIPS has educated more than 1,400 master’s degree students sent from Japanese and foreign government offices, with the number of Japanese and foreign graduates

Figure 4. Number of Students Majoring in Policy-Related Areas



Source: Author’s research.

being roughly equal. Master's programs are selected in such areas as Policy Analysis, Public Policy, Public Administration, Development Study, and so on. In 2004, GRIPS accepted 230 master's students and 40 PhD students.

The number of Japanese government officials who go abroad to study in foreign graduate schools has been increasing each year. They now number almost 20% of Type I officials, compared with just 6% 10 years ago. We consider studying abroad very useful and fruitful for government officials, since they can attain certain "expertise" and "specialties" in addition to becoming more "internationalized."

In the United States, the political appointment system is very common. For example, almost 3,000 staff are appointed as new government officials in each department every time a new president is elected. About one third of the total political appointees are in the top Executive Services (ES). They are appointed by the president and must be confirmed by the Congress as well. Around 650 staff are employed in the Senior Executive Services (SES), which is limited to 10% of the total ES staff. The remaining 1,200 or so are mostly employed by SES and are generally referred to as Schedule C appointees. They are employed in General Services where they support and assist their SES agency. Current policy planning, policy making, and decision making are becoming more and more interrelated and complicated. This requires more highly advanced knowledge of an academic specialty. Sooner or later, the political appointment system will surely be introduced in Japan. It will take time, however, to provide the permanently employed government officials with the proper expertise, specialization, and incentives to make them effective participants in the various stages of the policy-making process in a very competitive situation.

VI. Summary and Conclusion

In Japan, high-level government officials represented by the "Type I career group" are highly selective people, given that they passed the very competitive recruitment examination and gained employment by major ministries. Their promotion system, however, has been almost "fixed," in that they have been promoted simultaneously with other members of the same batch group until they reach the level of section chief or equivalent in some division of the headquarters office of each ministry. Thus the "real promotion race" starts only at this later stage of their career.

Educating and training government officials has a long history in Japan, and its style, system, goals, and review process have undergone continual change up to the present day. For example, the system of the Meiji period was such

that only a few selected people were given the chance to go abroad at frequent intervals. Currently, many officials are given opportunities to go abroad or to study in graduate schools in Japanese universities, following systematized rules. Educating and training government officials abroad will become more and more common. Moreover, the importance of such studies will never be reduced, as this will be one of the few chances for officials to face the “outside world” and communicate freely with people other than their colleagues. The education and training system needs to be aimed at allowing each official to obtain a certain specialty and expertise in various public policy and public administration functions, so that he or she can show his or her capability at the highest level in such areas as policy planning, policy implementation, policy evaluation, and policy analysis.

To reform the government bureaucracy constructively, the following changes are recommended.

- i) The mission and responsibility of each government official and each government post should be made clear.
- ii) Government officials need to have a broader, international and global viewpoint and understanding.
- iii) Every government official has to be equipped with some specialty in his or her job area.
- iv) An evaluation and review system for checking each government official's work accomplishments needs to be introduced in the Japanese civil service system and reflected in promotion and salary.

The civil servant system must be revised so that the above objectives can be attained substantially and practically. This includes necessary reforms in the education and training systems. It is also important to create a review process for evaluating existing programs and determining how to organize and modify the education and training of government officials.

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Session 2

Strengthening Democratic Institutions

- ▶ WORKSHOP ON STRENGTHENING DEMOCRATIC INSTITUTIONS – CONVENOR’S REPORT
SYED ABU AHMAD AKIF
- ▶ A VALUES-BASED APPROACH TO PUBLIC SECTOR REFORM: THE AUSTRALIAN EXPERIENCE
SARAH CLEAVES
- ▶ LOCAL GOVERNMENT IN BANGLADESH: MAJOR ISSUES AND CHALLENGES
H. RAHMAN and MIZANUR RAHMAN
- ▶ STRENGTHENING DEMOCRATIC INSTITUTIONS IN NEPAL: ISSUES AND CHALLENGES
GOVIND P. DHAKAL
- ▶ THE ROLE OF CIVIL SERVICE TRAINING IN STRENGTHENING DEMOCRATIC INSTITUTIONS IN PAKISTAN
SYED ABU AHMAD AKIF and MUHAMMAD KHALID NADEEM KHAN
- ▶ DELIBERATE DEMOCRACY AND ELECTORAL FALLACY: THE LOGIC OF COEXISTENCE
AMITA SINGH
- ▶ POVERTY ALLEVIATION AND PEACE BUILDING IN MULTIETHNIC SOCIETIES: THE NEED FOR MULTICULTURALIST GOVERNANCE IN THE PHILIPPINES
MACAPADO A. MUSLIM

Workshop on Strengthening Democratic Institutions – Convenor’s Report

Syed Abu Ahmad Akif¹

The subject of strengthening democratic institutions, while of interest to participants in public administration and governance throughout the world, is of particular interest to this community of academics and practitioners in the Asia-Pacific region. There are several reasons for this: not only is the region home to more than half of the globe’s population but it is also the economic powerhouse of the world. This region presents some very interesting insights and examples in the process of democratic transition and strengthening, from the People’s Republic of China, whose 1.2 billion people are coping with unprecedented socioeconomic changes but not with participatory or democratic institutions; to India, whose huge gap between the haves and have-nots constrains the development of democracy; to Indonesia, the world’s largest Muslim country, emerging from a long period of authoritarianism into democratic infancy. Only a very small number of countries in the Asia-Pacific region can claim not to require any strengthening of their democratic institutions.

Thus, the Workshop on Strengthening Democratic Institutions, held on the first day of the NAPSIPAG Launch Conference was a most apt introduction to the overall conference theme of the Role of Public Administration in Alleviating Poverty and Improving Governance. Six of the papers presented at this session have been included here.

I. A Values-Based Approach to Public Sector Reform

The Australian Experience

Sarah Cleaves

The author discusses Australia’s experience with value-based regulatory systems, tracing the reform process from the 1970s to the present day. The Public Service Act 1999 introduced a set of 15 Australian Public Service Values (APS) and a Code of Conduct, both of which have legal status. All Australian

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public servants, including Agency heads and statutory officers, are bound by both the APS Values and the Code. Previous voluminous legislation had never addressed such fundamental issues as the purpose of the APS or a code of conduct, its apolitical and impartial character, or the freedom of its employment decisions from ministerial intervention—not to mention protection for whistle-blowers.

Ms. Cleaves highlights the importance of a value-based approach by pointing to the large number of corporate failures in the recent past, in which companies like Enron and Worldcom did have corporate governance systems in place, but not a robust ethical framework driven from the top. She states that the Values and Code of Conduct have unshackled the APS and shifted it from being a rule-bound organization to a responsive and accountable public service centered on delivering the Government's policies and programs in an efficient and effective manner.

II. Strengthening Democratic Institutions in Nepal

Issues and Challenges

Govind P. Dhakal

Dr. Dhakal's paper is primarily a historical narrative of Nepal's fragile and very vulnerable democracy, focusing on the pressures and problems besetting it over the years. Nepal began its democratic journey in 1951 with the overthrow of a century-old feudal rule. However, the drive forward began in earnest only in 1990, after 30 years dominated by a single party. A new democratic Constitution was promulgated in 1990.

While it is true that some decentralization and democratization of the sociopolitical structures came about, especially after the restoration of democracy in 1990, and the country did achieve a degree of success in strengthening democratic institutions, the democratic culture in the country is marred by the unruly behavior of political leaders and the nonresponsiveness of the bureaucracy. Service delivery remains poor, the common people continue to be ignored, and only the rich and strong few get the opportunity to prosper and grow. As a result, the process of democratization seems to have come to a halt. The recent abrupt dissolution of the House of Representatives and the dissolution of the country's local bodies has certainly helped the rebel Maoists to move toward their objectives. Dhakal states that unless elections for the representative bodies are held and the local bodies revived, the strengthening of democratic institutions in Nepal will remain a distant dream.

III. Local Government in Bangladesh

Major Issues and Challenges

H. Rahman And Mizanur Rahman

The authors subscribe to the global consensus that local government is the most effective and appropriate system for establishing the democratic process at the grassroots level. The paper explores the nexus between a strong local government system and good governance, traces the long history and experience of local government, describes its structures and functions, and identifies the major constraints that local governments face: poor performance, discouragement of popular participation, and failure to deliver the wishes and desires of local people to the central Government, as well as issues of legal ambiguity, center-local links, the role of member(s) of Parliament, unrealistic work allocations, low public participation, and problems with financial powers and sources of income.

Finally, they present policy guidelines for establishing a strong local government system in the country. These include ending the constitutional debate on the tiers of government, providing true autonomy to the local government under independent supervision, and ensuring participation and accountability of all stakeholders. They express the opinion that it will only be with the contribution and cooperation of the political authority, the civil servants, the academicians, and the civil society that this improvement will come about.

IV. Deliberate Democracy and Electoral Fallacy

The Logic of Coexistence

Amita Singh

The author states her belief that strengthening democratic institutions is one of the most challenging tasks for governments in the present century, as is dealing with the problems of strengthening democratic institutions in times of globalization: new Institutionalism and market fundamentalism have led to an increased pressure upon the microlevel institutions, like the panchayat (local councils), that form deliberative channels to democratic sustenance and are in danger of losing out to more robust and aggressive market institutions. The author specifically focuses on the phenomena of “electoral fallacy,” in which an overemphasis is placed on the electoral processes in third-world countries, and “electoralism,” having the procedures of democracy without deeper internal roots and no democracy. Such elections do not strengthen democracy or its

institutions, as corporate interests have discovered the means of turning them into fallacies. This trend can be countered only through the revival of community institutions and people's action groups. The author examines the power play of political and economic forces in two of India's rapidly globalizing cities, Gurgaon and Bangalore, which are India's two top Silicon Valley outsource regions.

V. The Role of Civil Service Training in Strengthening Democratic Institutions in Pakistan

Syed Abu Ahmad Akif And Muhammad Khalid Nadeem Khan

This paper studies whether and how Pakistani civil service training institutions (CSTIs) can and/or do sensitize civil servants to democratic values, by investigating efforts being undertaken to inculcate and reinforce democratic values in the various levels of the Pakistani civil service. The authors raise a fundamental conceptual question: "Can democracy be taught?" They seek answers with regard to the importance of behavior modification through training imparted by the CSTIs. Through their empirical study, they seek to clarify the role expectations of civil servants, as well as the role and function of CSTIs.

The authors conclude that while all the CSTIs declare themselves strongly motivated to change the mindsets of trainee civil servants so as to internalize democratic values, the content for motivating civil servants toward strengthening democratic institutions is insufficient. Accordingly, dedicated efforts are required to sensitize and motivate civil servants to strengthen democratic institutions. The paper also sets out contents of a training program aimed at democratizing the mindset of Pakistani civil servants.

VI. Poverty Alleviation and Peace Building In Multiethnic Societies

The Need for Multiculturalist Governance in the Philippines

Macapado A. Muslim

All of the world's nearly 200 countries are multicultural or multiethnic, with two thirds having at least one substantial ethnic or religious minority group, says the author, and most of today's armed conflicts are not between states but within them. The increasing number and intensity of ethnocultural conflicts in the contemporary world suggests not only the limitations of the

“one size fits all” reductionist theories but also the likelihood of ethnic challenges growing in the future. Effective management of the challenges of cultural diversity becomes an urgent imperative of survival, at both national and international levels. Such management cannot be effected without a strong emphasis on the democratization of governance institutions. Unfortunately, most theoretical discussions and models of governance advocate a homogenistic or hegemonic model of governance, in which the dominant group simply assimilates or preempts the development of minority political entities.

In multiethnic societies, according to the author, governance needs reconceptualizing, reinventing, or reengineering to address the requirements of their heterogeneity. The author suggests that the shift from the policy of assimilation or homogenization to multiculturalism has the potential to make governance in multiethnic societies “governance for all” and “governance for both development and peace”: public administration becomes an instrument for enabling or capacitating, not an apparatus of hegemonic control and coercive domination that provides neither development nor peace. This paradigm shift is a significant task for scholars in political science and public administration in the Asia-Pacific region.

A Values-Based Approach to Public Sector Reform: The Australian Experience

Sarah Cleaves¹

I. Introduction

In 1904, in the First Annual Report of the Public Service Commissioner, Duncan McLachlan made the following comments (cited in Shergold 1997: 32). Lamenting the state of the Australian Public Service (the APS), he wrote that it

must not be looked upon as an asylum for the indolent or incompetent... Efficiency and economy must be the watchword... if public confidence is to be attained and maintained... If a practice has outlived its usefulness, it should be speedily changed. Useful reforms should be effected... A new spirit should be breathed into the dry bones of worn-out systems.

It is at once comforting and disconcerting to ponder these words. Comforting that current APS employees are not pioneers at public sector reform and disconcerting to think that he was writing these words about an organization only 3 years old and one that sometimes still receives the same criticism today as a century ago.

The APS has come a long way since 1904. It consists of 82 agencies that administer the Australian Federal Government's, as opposed to the state governments', policies and programs. It employs approximately 112,000 people on a permanent basis, both in Australia and overseas (APSC 2004). Their jobs range from office workers to oceanographers to meat inspectors.

The purpose of this paper is to track the APS' journey of reform from the 1970s to the present day. It will concentrate on how the APS has been strengthened as a key institution of Australia's Westminster system of democratic government through legislative reform in the shape of the Public Service Act 1999. The Act has unshackled the organization from its former focus on red tape to one in which effective service delivery by the most efficient means possible is the mantra. To ensure that the APS continues to enjoy the trust of

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the taxpayers whom it serves, and who pay its way, the APS Values and the Code of Conduct were introduced as part of this legislation. This paper will cover these in some detail. It will then examine how the theory of values-based management has been successfully implemented in the APS, before summarizing research over the last decade that has found that not only is ethical behavior the right thing to do from a moral perspective, it is demonstrably economically prudent. In the current environment of static or shrinking public service budgets, this alone makes values-based management worthy of consideration. The paper will conclude with a brief look at how performance auditing is used in the APS to audit its corporate governance systems and to further improve organizational performance.

II. From Prescriptive Legislation and Policy to a Principles-Based APS

The Public Service Act 1922 previously governed the APS. From its inception until the 1970s, the APS and Parliament were principally interested in process. The legislation under which the APS functioned was voluminous, detailed, and prescriptive. While voluminous, however, it did not address such fundamental issues as the purpose of the APS, a categorical statement that it was apolitical and impartial, or that its employment decisions should be kept free from ministerial intervention. No mention was made of, or protection provided for, whistle-blowers, and no code of conduct existed to which the Parliament and Australians could expect members of the APS to adhere (Shergold 1997: 33–34).

From the 1970s, calls were growing for the APS to become more performance-oriented (Barrett 2001: 42). In 1974, the Royal Commission on Australian Government Administration was established and its report, the Coombs Report (named after H. C. Coombs, the Commission's Chairman), was released 2 years later. Its fundamental findings were that the accountability of both the APS and ministers had steadily declined. The performance of agencies was rarely monitored effectively, particularly in relation to efficiency and effectiveness. In recognition of this situation, the Coombs report recommended that the mandate of the Australian National Audit Office (ANAO) be expanded to allow it to undertake performance audits, which would specifically address the efficiency and effectiveness issues. The new performance audits would also enable the ANAO to examine how accountable agencies were to the Government, Parliament, and the public. The recommendation was put into action when in 1979 the Audit Act 1901 was amended to enable the ANAO to undertake performance audits (Barrett 2001: 43).

The *Report of the Committee of Inquiry: Public Duty and Private Interest*, commonly known as the Bowen Report, followed the Coombs Report in 1979. It focused on the issues of accountability and conflicts of interest in the APS and developed a draft code of conduct that was later endorsed by the Government. It was this work that ultimately led to the development of the current Code of Conduct and the APS Values.

Following from the headway made by the Bowen Report, the Government decided in 1983 that Ministers, their employees, senior public servants, and statutory officeholders had to provide written statements declaring their private interests. The heads of each agency were required to ensure that this occurred (APSC 2003a: 74).

In 1999, the Public Service Bill was tabled in Parliament and passed both houses. It built upon the reforms that had been taking place and enshrined them in law. The introduction of the Public Service Act 1999 was a fundamental part of the Government's microeconomic reform agenda (Reith 1997: 19). The APS had to become more efficient. As noted by the then Minister for the Public Service, during his speech to the Parliament commending the Bill to the Lower House, the costs of managing the APS at that time were double those of private sector best practice. By addressing this inefficiency, the Government would free up money to enhance services, pay off debt, or return it to the taxpayer. The economic imperative was unambiguous.

By placing APS workplace relations under the same legislation as the rest of the Australian working public, i.e., the Workplace Relations Act 1996, the size of the Public Service Act 1999 could be dramatically reduced. The current Act actually replaced not only the Public Service Act 1922, but also the Merit Protection (Australian Government Employees) Act 1984 (Reith 1997: 22). The Act devolved decision making to the agency heads and gave them the powers to construct their own employment practices.

Summing up the Public Service Act, the previous Australian Public Service Commissioner (Mr. Andrew Podger) wrote:

The proclamation of the Public Service Act in 1999 reflected the culmination of two decades of public sector reform. The devolution of employment powers to Heads of Agencies was designed to facilitate a more responsive, flexible and performance-focused Service. The APS Values now form the enduring framework that defines the Australian Public Service, rather than rules and processes set by a central employer. The principles of good public administration, now embodied in the APS Values, lie at the heart of the democratic process and the confidence the public has in the way public servants exercise authority when meeting government objectives. Good public administration is a protection not only against inefficiency and poor performance, but also against

fraud, corruption, inequity, inability to conduct business confidently and infringement of human rights (APSC 2003a: 14).

III. The Public Service Act 1999, the APS Values, and the Code of Conduct

The new Act is 36 pages long, or just over 5% of the size of the legislation it replaced. Its brevity brings with it two important traits: it is quite possible for someone to read it and it is equally possible that they will understand it (Shergold 1997: 32). Much of the prescription, which formed the bulk of the previous Act, has been removed and the power to make decisions on issues such as employment arrangements, duties, and responsibilities has been devolved to agency heads.

In the absence of rules, broadly applicable principals and values provide a pragmatic and far less cumbersome approach. Values transcend specific circumstances, thereby making them more universally applicable than prescriptive instructions. While prescription requires that every eventuality be anticipated, values provide employees with a framework that can be used in unfamiliar surroundings and for novel situations. “Values offer the potential for flexible, yet comprehensive, guidance to inform employees’ decision-making in new and continually changing circumstances” (APSC 2003c: 55).

At the heart of the Public Service Act 1999 are the APS Values and the Code of Conduct. The APS Values and the Code of Conduct are not based on any political party’s own perspective. While the Act in which they are enshrined was enacted under the current Government, considerable parliamentary debate occurred over its contents (Kernaghan 2003: 717). Consequently, the Code of Conduct and the APS Values enjoy bipartisan support, a condition necessary if the intent of an apolitical public service is to be effected.

A. APS Values

Of all the Westminster countries, Australia’s approach is the most formalized. The United Kingdom’s Civil Service Code is contained in regulation, New Zealand has its Public Service Code of Conduct in the form of guidelines, and Canada has yet to go down this path (Kernaghan 2003: 717). The decision to include the APS Values and the Code of Conduct as part of the Act was made precisely to give them the force of law (Shergold 1997: 34). The previous Public Service Commissioner, in a speech delivered in 2002 to the Institute of Public Administration Australia, emphasized the seriousness with which he

and the Government took the APS Values. “The Values are in the legislation—they represent the law—and they are not just aspirational statements of intent” (Podger 2002: 2). In order to ensure that they are taken seriously, the Act requires the Public Service Commissioner to monitor how well the Values have been implemented in each Agency and to report this to Parliament on an annual basis. In addition, should the Commissioner have specific concerns, these can be investigated on his or her own initiative and reported to the Parliament. The specifics of these powers will be addressed more fully in Section IV.

At this point it is important to note that the APS Values have not been introduced as a means to legislate for morality. People will not change their fundamental beliefs just because something is contained in a piece of legislation. However, the APS Values provide a method by which ethical behavior can be actively encouraged and unethical behavior discouraged and punished if required. The APS Values have an added benefit in that they clearly state to the Australian public what they can expect from APS employees, thereby raising the APS’ accountability (Shergold 1997: 34).

The APS Values also provide a unifying framework to ensure the continuation of a common culture throughout the APS. This is important given the degree to which authority has been devolved to individual agencies (Kernaghan 2003: 713). Australia is a very large country and the APS employs a great diversity of people delivering widely varying services to the community. Thus, it makes sense that the particulars governing individual agencies are devised by the agency itself. However, while there is diversity, the intent with which the various agencies conduct their business must be the same. They must all be apolitical, responsive, accountable, efficient, and wise stewards of taxpayers’ money. It is this common approach that is contained within the APS Values.

Each Value holds equal weight and although tensions may exist between them, they should not conflict. The Australian Public Service Commission addresses this issue in its publication *APS Values and Code of Conduct In Practice: A Guide to Official Conduct for APS Employees and Agency Heads*, where it states,

No Value should be pursued to the point of direct conflict with another. For example, being apolitical does not remove an employee’s obligation to be responsive to the Government and to implement its policies and programs, nor does responsiveness permit partisan decisions or decisions that are not impartial. Compliance with the law always takes precedence over a public servant’s obligations to achieve results and be responsive (APSA 2003a: 16).

Efficiency and accountability are in tension (Whincop 2002: 380). While the first aims to get the greatest possible output from the least possible input, the latter requires time, money, and staff to achieve. Consequently, having structures in place to ensure that resources are well spent in itself decreases the efficiency with which those resources can be spent. Nonetheless, removing accountability structures is not likely to enhance efficiency either. The less an organization is examined, the greater the temptation to exploit the opportunities available, which can result in a raft of problems, including fraud, mismanagement, failure of essential services, and, ultimately, the fall of governments.

The next section of this paper provides greater detail on each of the APS Values. The APS Values number 15, hence the APSC makes a habit of grouping them into four logical groups to make them easier to remember. These four groups are the APS' relationship with the Government and Parliament, its relationship with the public, workplace relationships, and personal behavior. These are underpinned by assurance, commitment, and management, which will be discussed later.

1. Relationship with the Government and Parliament

The three values which relate to the relationship of the APS with Government and the Parliament are impartiality, accountability, and responsiveness.

- ***Impartiality.*** *The APS is apolitical, performing its functions in an impartial and professional manner.*

The APS is an apolitical arm of the executive level of government. While it is apolitical, this does not mean that it is independent. The role of the APS is to provide advice to ministers and implement the policies of the Government. As such the APS owes its loyalty to the Government as an institution and not to the party/parties that form the Government. As the Australian Public Service Commissioner noted in June 2002, "It is important to note that we are not independent, but we are apolitical and impartial, and our responsiveness to the government actually requires us to be frank, honest, accurate, comprehensive and timely in our advice and to implement the government's policies and programs" (Podger 2002: 2).

- ***Accountability.*** *The APS is openly accountable for its actions, within the framework of ministerial responsibility to the Government, the Parliament and the Australian public.*

Accountability is at the heart of the APS. As the then-Auditor-General noted in 1989: “Accountability is the fundamental prerequisite for preventing the abuse of delegated power, and for ensuring, instead, that power is directed to the achievement of broadly accepted national goals with the greatest possible degree of efficiency, effectiveness, probity and prudence” (Trimmer 2004: 217).

Accountability is different from responsibility. The latter is concerned with who actually performs a task. Accountability refers to the person or persons who are answerable to the Government, Parliament, and citizens for the outcomes of the task, the way it was performed, and any unintended consequences. Today, Australian public servants can be held personally accountable for their actions, those of their subordinates, and those of any contractors who undertake work on behalf of the APS. Accountability is maintained through Senate committees, regular reviews and audits, and corporate governance frameworks, including open employment and contracting arrangements, the media, and the courts.

Conflicts of interest, real or perceived, are anathema to accountability. To reduce the likelihood of compromising situations arising, agency heads, members of the senior executive service (SES), and those acting in SES jobs for longer than 3 months are required to disclose their own private interests, and those of their immediate family to the extent to which they are aware of those interests (Podger 2003: 36). Anything that could be construed as a gift or benefit is generally proscribed. While gift giving is common practice in the private sector, it takes on a different flavor in the public sphere, where it can be perceived as inducing public servants to act partially and circumvent the stringent requirements for accountability in procurement. In Australia, bribery is punishable under the Criminal Code and, as it constitutes a breach of the APS Code of Conduct, public servants convicted of it may be charged under the Public Service Act as well (APSC 2003a: 78).

- *Responsiveness.* The APS is responsive to the Government in providing frank, honest, comprehensive, accurate, and timely advice and in implementing the Government's policies and programs.

The role of the APS is to provide unbiased advice to the Government and to implement the Government's policies and programs. As an impartial public service, the APS is responsible for providing the Government with accurate information, which at times may be unpalatable. Telling the Government what it wants to hear, or what it thinks it wants to hear, obscures the truth of a situation, calls into question the impartiality of the APS, and undermines its reputation in the eyes of the public.

The APS is the means by which the Government's policy framework is implemented. It is an arm of the executive wing of government. As the voting public has decided which political party or parties it wants to govern it, so it has in principle approved their agendas. The APS, therefore, is expected to facilitate the achievement of these objectives, regardless of what its individuals' personal political opinions may be. The Government, and the Australian public, have a right to expect that the APS will work conscientiously and not pursue its own objectives or try to obstruct the achievement of those of the Government.

2. Relationship with the Public

- *Service delivery. The APS delivers services fairly, effectively, impartially, and courteously to the Australian public, and is sensitive to the diversity of the Australian public.*

Public servants are just that—servants of the public. The APS exists to ensure that the Australian populace is provided with government services free from favoritism, in the most effective manner possible, and politely. In a multicultural society, a particular concern is to ensure that all ethnic groups' needs are addressed sensitively.

- *Openness. The APS provides a reasonable opportunity to all eligible members of the community to apply for APS employment.*

With the caveat that APS employees are to be Australian citizens, or at the least be actively engaged in obtaining their citizenship, employment in the APS is open to all. In a democratic system, a public service needs to reflect the makeup of its citizenry if it is to understand their needs, win their trust, and demonstrate that it legitimately represents their interests.

3. Workplace Relationships

The APS Values related to workplace relationships have supplanted the previous voluminous legislation covering employment and conditions of service. The APS is required to ensure that

- employment decisions are based on merit,
- diversity is respected and actively encouraged,
- workplace relations are negotiated at the workplace rather than primarily through external bodies,
- the APS is focused on achieving results,

- its employment decisions promote equity, and
- they are reviewable.

In short, it is about achieving fairness for all and removing arbitrary political interference.

- ***Merit.** The APS is a public service in which employment decisions are based on merit.*

By requiring that jobs be openly advertised, that the best qualified and/or experienced applicant be awarded the position, and that appointments be open to review, the APS greatly diminishes the potential for nepotism and patronage. Not only does this increase faith in the integrity of the APS, but also helps to ensure that it is staffed by competent individuals, thereby raising the standards of performance.

- ***Diversity.** The APS provides a workplace that is free from discrimination and recognizes and utilizes the diversity of the Australian community it serves.*

A government elected through a democratic political system will be broadly representative of the people who voted it into power. It is the representative nature of democratic government that provides it with such legitimacy. In order for its policies and programs to be implemented in a manner the voting public generally approves, the public service likewise should reflect the makeup of the society it serves. In such a pluralistic society as Australia, this is particularly important, hence its inclusion within the APS Values.

- ***Workplace relations.** The APS establishes workplace relations that value communication, consultation, cooperation, and input from employees on matters that affect their workplace.*

The current Government explicitly seeks flexibility in the workplace. This has been achieved by devolving the establishment of employment conditions to the workplace itself. So long as certain basic provisions are met, employers and their staff are free to construct their own conditions suited to the specifics of the workplace. The same applies to the APS, with each agency concluding its own certified agreement, i.e., conditions of service agreement. This is to be achieved through open communication between the parties and direct consultation between employers and employees, without the requirement for union negotiation. A “one size fits all” approach to the APS is impractical,

given the vast array of different skills and jobs its members perform. By allowing individual agencies to construct their own certified agreements, they can be tailored to the specifics of each agency.

- **Results.** *The APS focuses on achieving results and managing performance.*

This paper has already addressed the imperative to increase the performance of the APS, which in part drove the development of the Public Service Act. One way by which this has been achieved has been the introduction of performance management. While each agency has implemented its own approach, it has been widely introduced. Performance management is but one element of a comprehensive strategic and business planning process. The lessons learned from the private sector have been applied to the APS in the form of output budgeting, to ensure that there is a rationale behind the finances sought by the Agencies, and a demonstrable link between the provision of funds and tangible outcomes.

- **Equity.** *The APS promotes equity in employment.*

The principle of equity is that everyone should have equal access to opportunities within the workplace. Equity, however, is not the same as equality. Equity recognizes that everyone has different talents, skills, experience, and limitations. Thus, it does not conflict with the merit principal, but does ensure that discrimination is not tolerated.

- **Reviewable.** *The APS provides a fair system of review of decisions taken in respect of APS employees.*

In order to ensure that all decisions are fair and accord with the APS Values, a wide range of review mechanisms is in place within the APS. Each agency has its own internal review mechanisms, but decisions may also be reviewed independently by the Australian Public Service Commission or the Human Rights and Equal Opportunity Commission. The Court system is a further option. The APS is required to uphold the law and thus its decisions can be independently assessed by the judiciary.

4. Personal Behavior in the APS

The fourth and final grouping of the Values are those that are associated with the day-to-day behavior of APS employees in their jobs. The three Values relate to ethics, leadership, and the commitment of the APS to provide a career for its employees.

■ ***Ethics.** The APS has the highest ethical standards.*

As a taxpayer-funded organization, the APS must be cognizant of its responsibilities to the providers of its funds. When public servants act ethically, incidences of nepotism, collusion, and corruption are reduced, and with them the waste and abuse of taxpayers' money. The economic imperatives for ethical behavior will be examined in more detail later.

A whistleblower scheme provides an avenue by which public servants or the general public (anonymously or otherwise) may alert management to instances where the Code of Conduct has been breached, or may have been breached, through instances of fraud or unethical behavior. Under the Public Service Act, those who blow the whistle are legally protected against discrimination, which helps to encourage people to come forward and provide information.

■ ***Leadership.** The APS has leadership of the highest quality.*

Good leaders are essential to ensuring that the APS continues to improve its performance and that reform efforts do not lapse. Under the Public Service Act, agency heads and the Senior Executive Service (SES) must promote the APS Values. Research has found that ethical leaders are the best catalyst for generating ethical behavior by staff (ICAC 2000). In organizations where leaders behave ethically, staff retention can be improved by as much as 10% (PWC 2004:8). In an increasingly tight employment market, ethical leadership can become a competitive advantage in the fight to attract and retain the best talent.

■ ***Career based.** The APS is a career-based service to enhance the effectiveness and cohesion of Australia's democratic system of government.*

High rates of staff turnover impact upon the financial health of an organization due to the costs of recruitment and reduced effectiveness through loss of expertise and corporate knowledge. While the APS is no longer seen as a job for life, it remains committed to long-term employment of its staff. This helps to ensure that it is staffed by experienced personnel who are able to provide quality advice to government and competently deliver its policies and programs to the Australian public.

B. Code of Conduct

The most significant attribute of the Code of Conduct is that it is legally enforceable. While it is fairly self-explanatory, two points are worth noting. It requires Australian public servants to, first, uphold the APS Values and, second, to disclose whether they have, or could be perceived to have, a conflict of interest between their private interests and their duties as public officials. They are also required to take reasonable steps to prevent conflicts of interests from occurring. However, if a conflict does arise it must be reported (Podger 2003: 34).

The Code of Conduct requires that an employee

- behave honestly and with integrity in the course of APS employment;
- act with care and diligence in the course of APS employment;
- when acting in the course of APS employment, treat everyone with respect and courtesy, and without harassment;
- when acting in the course of APS employment, comply with all applicable Australian laws;
- comply with any lawful and reasonable direction given by someone in the employee's agency who has authority to give the direction;
- maintain appropriate confidentiality about dealings that the employee has with any minister or minister's staff member;
- disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with APS employment;
- use Commonwealth resources in a proper manner;
- not provide false or misleading information in response to a request for information that is made for official purposes in connection with the employee's APS employment;
- not make improper use of (a) inside information, or (b) the employee's duties, status, power, or authority, in order to gain, or seek to gain, a benefit or advantage for the employee or for any other person;
- at all times behave in a way that upholds the APS Values and the integrity and good reputation of the APS;
- while on duty overseas, at all times behave in a way that upholds the good reputation of Australia; and
- except in the course of his or her duties as an APS employee or with the agency head's express authority, not give or disclose, directly or indirectly, any information about public business or anything of which the employee has official knowledge.

IV. Entrenching a Values-Based APS

As admirable as the APS Values and the Code of Conduct are, unless they are practically applied, they will have limited influence. How they are applied is the responsibility of each agency head; however, that they must be applied is not discretionary. Generally, the Values and Code of Conduct have found expression through internal policies, certified agreements, performance management frameworks, and corporate and business planning.

To make certain that agency heads adequately fulfill their responsibilities with respect to the Values and the Code of Conduct, the Public Service Act gives the Public Service Commissioner the power to investigate their application. This role is two-fold. First, the Public Service Commissioner evaluates how agencies promote and entrench the Values and Code within the fabric of the Agency and, second, he or she is to diagnose how effective these actions have been by talking directly to APS employees.

In her 2000/2001 State of the Service Report, which was reported to Parliament, Helen Williams, then Public Service Commissioner, described the document as “a report card... on how well the Service understands and applies the APS Values and Code of Conduct across the range of its functions” (APSC 2001: 11).

In 2002, the newly appointed Public Service Commissioner, Andrew Podger, introduced a new project to review how agencies were embedding the APS Values. Six Agencies were examined. They were the Attorney-General’s Department, the Australian Bureau of Statistics, Centrelink, Department of Defence, Department of Transport and Regional Services, and the Insolvency and Trustee Service Australia.

The results of the survey, which were published in the report “Embedding the Values,” are summarized as follows (APSC 2003b: 50):

- Employees viewed the Values as common sense for the public service and common practice.
- Leadership was crucial to setting the ethical tone within agencies and was critical to making the Values relevant and visible.
- Having the Values articulated in key corporate documents was not enough. These needed to be supported by leaders who adhered to the Values themselves, means by which the applicability of the Values to people’s jobs could be demonstrated, mechanisms to support employees who raised ethical concerns, and robust procedures to ensure that the allegations were pursued.

- Evidence of good practice was perceived in a number of areas, but also some perceptions that the Values were not being upheld in some areas and were not uniformly understood.
- No holistic or strategic approach to embedding the Values by any Agency in the study had evolved. Their implementation was occurring in a more piecemeal fashion than the Public Service Commission would have liked to see.

As part of the methodology, a number of focus groups were conducted. A common theme that emerged was how important senior leaders were in engendering support for the Values. Those leaders and managers who were perceived to be ethical were strongly supported by their staff, whereas those who were seen as flouting the rules lost the confidence of their subordinates.

The APSC's findings supported the results of other research conducted within Australia and internationally. Particularly interesting is that organizations with strong ethics

- have higher-performing employees and are better able to attract and retain staff (Vogl 2001), and are more likely to be efficient and effective;
- have more robust decision-making processes;
- have more committed and contented staff, with lower levels of stress; and
- have lower levels of staff turnover (ICAC 1998).

The New South Wales Independent Commission Against Corruption notes in its 2000 survey of New South Wales local councils and state government Agencies:

The most effective way of undermining the Values is for senior managers to silently contradict them through their personal behavior. The most effective way of building the Values into organizational culture is by both making them explicit and explicitly putting them into practice. This means raising awareness of and role-modeling the Values (ICAC 2000: 17).

The APSC's model of the APS Values has at its base three supporting elements. These are the keys to ensuring that the APS Values are firmly entrenched within each agency so that they underpin every decision. They are commitment, management and assurance.

- *Commitment is provided by guidance from leaders and managers who have the highest standards of behavior and role-models the APS Values.*

They make clear expected standards of conduct and build trust with employees. The APS Values are integrated into strategic direction setting and induction activities. "How to live them" is promulgated through learning and development activities, especially leadership development.

- *Management is provided by "hardwiring" the APS Values into management policies, instructions, and guidance that are consciously communicated and accessible to everyone who needs them. Policies, instructions, and guidance are coordinated so that the APS Values are part of day-to-day decision making and activity.*
- *Assurance is provided by effectively using accountability and control mechanisms such as the Code of Conduct, fraud control, and risk assessment strategies and contract management arrangements. Employees are comfortable with reporting wrongdoing; suspected breaches of the Code of Conduct are investigated fairly and reasonably; and sanctions have substance and are respected by employees. Quality assurance mechanisms, such as staff and client surveys, are used to monitor adherence to the APS Values throughout the agency and to improve agency practice (APSC 2003b: 9).*

Kernaghan (2003: 718) cautions that poor implementation of an otherwise appropriate code of conduct will only engender cynicism and lower staff morale. This author has not witnessed any snide remarks about the Code of Conduct or the APS Values, which circumstantially indicates that APS is implementing them well. They flow from a century of tradition and they make sense. The fact that a public servant can be sacked for transgressing them may also decrease the risk that they will be easily dismissed!

V. Making Decisions in a Values-Based Organization

By now it should be apparent that memorizing the APS Values and the Code of Conduct in their entirety presents something of a challenge. The Department of Defence has addressed this issue by introducing its own complementary set of values. Going by the acronym PLICIT, they summarize the intent of the Values and the Code of Conduct. Defense employees, both military and civilian, are required to demonstrate

- professionalism,
- loyalty,
- integrity,

- courage,
- innovation, and
- teamwork.

The Queensland Crime and Misconduct Commission provides a useful checklist for employees concerned with how to make decisions in a values-based organization (CMC 2004). It consists of six questions:

1. Is the act legal and consistent with government policy?
2. Is it in line with my agency's goals and code of conduct?
3. Is it the proper thing to do?
4. What will the outcome be for
 - my agency,
 - my colleagues,
 - others,
 - me?
5. Can I justify my action?
6. Would the act stand up to public scrutiny?

The Department of Defence's unofficial approach, which is commonly used, is known as the "60 Minutes" test. That is, when making a decision an employee should consider whether he or she would be happy to justify his or her actions on the "60 Minutes" television program. If not, it is likely that the intended course of action conflicts with the Values and Code of Conduct.

The New South Wales Road Transport Authority has taken a more memorable approach. Their guide to ethical decision making is known as the "bbb test," which refers to whether an employee's actions will result in Bandages, Barristers, or Bosses. That is, "Will anyone be harmed? Is it within the law? Would the Chief Executive approve?" (CMC 2004).

VI. Corporate Governance, Resource Allocation, and Accountability

A Values-based organization does not mean that formalized procedures have no place. Indeed, an effective corporate governance framework is critical. "In an environment where rules and prescription have been reduced, accountability and assurance mechanisms gain in importance" (APSC 2003b: 24). Accountability is achieved when an effective corporate governance framework is in place.

Corporate governance is concerned with resource allocation and accountability. In terms of resource allocation, a corporate governance framework addresses how efficiently and effectively the organization manages its physical and intangible assets. It is important to understand that the purpose of corporate governance is not to manage how an organization functions, but to oversee the effectiveness of its management systems. It is therefore possible, though certainly not advisable, to have an organization with poor corporate governance that still performs. The benefit of effective corporate governance systems is that they provide management with more accurate and complete information in a timely manner to facilitate decision making. It can point to weaknesses before they become major problems.

Accountability has particular importance for the public sector, given the interests of the Government, Parliament, and the general population. A strong system of corporate governance enables public sector agencies to demonstrate that their decisions are objective and in the best interest of the citizenry. It also ensures that the criteria for these decisions are known in advance, thereby reducing the risk of favoritism. This is of particular importance in respect to procurement, where companies bidding for government business should all be given equal opportunity to prove their worth. First, this helps to ensure that only goods and services that are the best value for money are bought using taxpayers' money; second, it facilitates a competitive market; and third, it reduces the likelihood that allegations of collusion, corruption, or nepotism will be leveled against those involved. Australia has stiff penalties for those convicted of corruption.

Standards Australia International has released a comprehensive suite of standards on corporate governance, including standards for codes of conduct and whistleblower protection programs. These standards provide useful information on how to institute corporate governance within any organization.

VII. Auditing Corporate Governance Systems for Organizational Performance

Internal audit provides assurance to management. In other words, it exists to inform management whether the corporate governance framework functions and how well-run, or otherwise, the organization is. Over the last decade a significant increase in the status of internal audit has occurred. It has developed from focusing on compliance audits (often referred to as “tick and flick”) to addressing the key concerns of senior management. In the process, it has gained substantial power through its ability to contribute to an organization's key success factors.

Performance auditing examines how efficiently, effectively, and ethically sections make use of government resources (financial, physical, and personnel) to achieve prescribed outcomes. Thus, performance auditing involves an assessment of the resilience of the corporate governance system in place within the section. It examines issues at the executive, management, and operator levels. Recommendations are then addressed to each of these levels of management to ensure that problems, rather than just their symptoms, are comprehensively addressed and rectified.

Internal audit within the Australian Defence Organization is housed within the Management Audit Branch within the Inspector General Group. Performance audits undertaken by the Management Audit Branch evaluate the strength of the corporate governance framework at the executive, management and operator levels. This provides a holistic understanding of the quality of the policy, how effectively it is implemented, whether it is monitored to ensure its continuing relevance, and ultimately whether the organization's outputs accord with the expectations of the Government.

As discussed earlier, members of the APS SES are legally required to be role models for the APS Values; the Secretary of Defence and the Chief of the Defence Force, as agency heads, are legally required to promote and uphold the APS Values. Within a performance audit, those staff referred to in audit parlance as the executive level are scrutinized to ensure that they are issuing policies that enable the rest of the organization to successfully implement these to ensure good outcomes.

The Management Audit Branch's influence has grown substantially over the last several years in line with global developments. Specifically, responsibility for completing each agreed audit recommendation is allocated to an individual at the 1-star level (Brigadier or above), who is held accountable for its satisfactory implementation. All significant, completed recommendations are followed up to ensure that they have been implemented, with action taken against those senior officers who agree to implement audit recommendations but then do not ensure that implementation occurs. Defense auditors have complete and unfettered access to all information and sites, making it difficult for individuals to hide information. The results of these initiatives have been a marked increase in the influence of the Management Audit Branch, enabling it to inculcate significant organizational change and a renewed respect by all levels of management for the role of internal audit.

VIII. The Nexus between Values and Organizational Performance

In light of the forgoing, it is worthwhile considering why so many large businesses, many of which espoused the virtues of corporate governance, values, and internal audit, have failed so spectacularly over the last few years. Leaving aside the minority that failed due to problems with their financial fundamentals, such as Ansett, which was Australia's second largest airline after QANTAS, the remainder have collapsed principally because their senior leaders were engaged in white-collar crime and were found out. Once the extent of the creative accounting and outright theft was revealed, their companies' share prices went into a tailspin, the senior executives found themselves in court, and millions of shareholders' life savings disappeared.

Kenneth Lay, the former Chief Executive of Enron, had the following to say in 1999 at a conference run by the Centre for Business Ethics: "It's no accident that we put strength of character first. Like any successful company, we must have directors who start with what is right, who do not have hidden agendas and who strive to make judgments about what is best for the company, and not about what is best for themselves or some other constituency" (Gettler 2002: 14). With the benefit of hindsight, such statements seem laughable. It is one thing to talk ethics and another thing entirely to do ethics.

The responses of governments to the collapse of the likes of Worldcom, Arthur Andersen, and Enron in the US and HIH, Harris Scarfe, Ansett, and OneTel in Australia, have varied. Apart from the legislative changes, however, something more fundamental is required. People need to be encouraged to act ethically. Wayne Martin, the Queen's Council involved in the HIH Royal Commission, investigating the collapse of Australia's largest insurance underwriter, was recorded as saying that "...Australia should aspire to improved moral and ethical standards rather than tick-a-box corporate governance" (cited in Barrett [2003]). The problem in convincing people to behave ethically is that frequently a cost is involved. People have to *choose* to do the right thing, despite the fact that acting unethically is likely to have greater rewards (Gettler 2002: 18).

Good governance necessitates that fail-safe mechanisms be built into organizations to compensate for the fact that we are human and are not immune to temptation, laziness, and unrealistic expectations of the future (Seth-Purdie 2004: 24-25). In addition to saving us from ourselves, they should also encourage positive behavior. They need to recognize that we are not all angels, but at the same time must avoid carping moralism.

While it may not be possible to teach people to be ethical, it is possible to persuade employees to choose to act ethically. Studies have shown that the

greatest determinant as to whether employees choose to behave ethically is their observations of the behavior of their leaders (Soutar, McNeil and Molster 1994; ICAC 2000). If the organization's culture upholds ethical values in a practical manner, regardless of an individual's own standards, they are likely to behave ethically.

Unfortunately, research conducted in Western Australia has revealed that despite the fact that the behavior of leaders is the primary determinant of ethical behavior, leaders are not heeding the message. The research found that ethical dilemmas occur quite frequently in the workplace and that the greatest number of these arise due to pressure from superiors (Soutar, McNeil and Molster 1994). Fifty-nine percent of respondents had faced an ethical dilemma in their work over the last 5 years. The research revealed that senior executives reported fewer instances where ethical considerations had been raised than their middle managers. This indicates that senior leadership is either oblivious to the ethical dilemmas confronting their staff or they have lower standards than the rest of their organization.

Corporate governance is not just about preventing failures such as Enron, Worldcom, and Arthur Andersen. It is equally about enhancing success. Research published in 2003 (Paine) has found that ethical organizations are more financially viable, are more trusted by their customers, and retain the best staff. Surveys conducted by META Group in 2003 on behalf of PricewaterhouseCoopers established that organizations that integrate governance, risk management, and compliance can increase the value of their reputation up to 23%, their staff retention rates by 10% and their revenue by 8% (PWC 2004: 8). Survey respondents came from 135 organizations, each with annual revenues in excess of US\$1 billion. Research by the General Counsel Roundtable in the US in the same year reinforces the finding that instituting a comprehensive corporate governance framework is good for business. It found that an organization could save \$5.21 on legal and lost productivity costs and decrease in reputation for every \$1 spent on corporate governance (PWC 2004: 8).

Conversely, the World Bank's research has found that systemically unethical countries can reasonably expect their annual growth rates to be 0.5–1% less than would otherwise be the case (cited in O'Keefe [1999]). The economic imperative for ethical behavior is thus quite clear.

Finally, it is critical to note that none of the foregoing negates the need for sound strategy. The most effective corporate governance systems and the most ethical employees are not sufficient to produce an economically sustainable organization. Hardheaded business sense must be combined with corporate governance and ethics in order for an organization to achieve optimal performance. The benefits of ethics and corporate governance are that they help to temper the temptation to pursue short-term gains with prudence.

IX. Conclusion

Since the introduction of the Public Service Act in 1999, the APS has shifted from being a public service focused on rules and procedures to one centered on delivering the Government's policies and programs in an efficient and effective manner. By devolving responsibility down to individual agencies, the APS has been able to adapt itself more readily to the changing requirements of the Parliament, the Government, and the Australian people. Accountability to these three groups has also been significantly enhanced. At the center of the reform process has been the incorporation of the APS Values and the Code of Conduct into the Act and into the everyday working of the agencies. This has been achieved through embedding the Values into the fabric of these organizations via values-based policies, role modeling by senior leaders, and the annual State of the Service reports released by the APSC. That organization nicely encapsulated the new approach in its publication *A Guide to Official Conduct for APS Employees and Agency Heads*:

The principles of good public administration, now embodied in the APS Values, lie at the heart of the democratic process and the confidence the public has in the way public servants exercise authority when meeting government objectives. Good public administration is a protection not only against inefficiency and poor performance, but also against fraud, corruption, inequity, inability to conduct business confidently and infringement of human rights (APSC 2003a: 14).

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Local Government In Bangladesh: Major Issues and Challenges

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I. Introduction

A global consensus exists today that local government is the most effective and appropriate system to establish democratic processes and practices at the grassroots level and ensure participation of the people in the process of development and governance. Local government is given importance mainly for its contribution to ensuring a decentralized governance that helps create able political leadership, develop an accountable administration, and plan and implement people-oriented development programs. In essence, local government is supposed to generate a decentralized form of governance and involve people very actively in the process of governance.

It is argued that strong local government is a fundamental necessity for eradicating poverty. Unless responsive and accountable local structures and institutions develop within society, the end to poverty and hunger cannot be achieved. It is further argued that challenges of human development, economic progress, and social justice must be encountered at the local level, using local leadership. Therefore, the need for a strong local government based on participatory grassroots democracy is obvious (Majumder 2003).

Bangladesh has a long history of local governance, which traces its roots back to the British colonial period. Despite an eventful past, local government confronts many difficulties and constraints in Bangladesh, and the local government system in Bangladesh has come to perform very poorly. Not only has it failed to bring people to its fold with a view to ensuring popular participation, it has also failed to articulate its role of becoming a change agent for the rural polity. Instead of penetrating into the decision-making process of the Government for resource allocation to meet local needs and maintain functional autonomy, it has been subordinated either to the central government directly or to its henchmen.

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The present study seeks to explore the nexus between a strong local government system and good governance, and identify the major constraints that the local government faces. It is not an exhaustive exercise; rather it is limited to some basic issues our local governments confront. It also projects the historical development of local government in Bangladesh and provides some policy guidelines for ensuring a strong local government system in Bangladesh. The second section focuses on the conceptualization of the local government and good governance nexus; the third deals with the development of local government in Bangladesh from a historical point of view; the fourth focuses on the constraints or challenges our local governments confront today; the fifth provides some policy guidelines for creating a strong local government system in Bangladesh. Finally, the sixth and final section describes roles of different key actors to make a strong local government happen.

II. Conceptualizing a Local Government and Good Governance Nexus

Good governance as a reform strategy focuses, with a particular set of initiatives, on strengthening the institutions of civil society that make the government more accountable, more open, more transparent, and more democratic (Minogue 1997). Participation, legitimacy, accountability, and transparency are considered major factors to ensure good governance (ODA 1993). Allowing more self-government at the local level is also a major criterion for good governance (Greaves 2001). An effective and strong local government system can bring people to participate actively in development initiatives that affect them and thereby contribute to the socioeconomic welfare of the community. People can take part in initiatives like health care, sanitation, education, family planning, and income-generation activities, from planning to implementation. People's participation, on the one hand, creates the ownership of the people over the initiatives and, on the other hand, holds the functionaries accountable. Moreover, it can also contribute to strengthening the vision of a "bottom-up" approach to development instead of the prevailing "top-down" approach. Local government systems also contribute to ensuring an equitable distribution of resources and can bargain with the central Government to draw need-based and appropriate policies.

The right kind of local government system can play an instrumental role in the process of leadership development from below. It gives the local government functionaries in particular, and the people in general, the opportunity to deal with issues that concern the community, and in effect,

develops their leadership skills. Local government can be the breeding ground of future leaders at the national level.

III. Development of Local Government Institutions in Bangladesh

Local government institutions in Bangladesh owe their origin to British rule in this part of the world. Originally intended to maintain village peace and order by local initiative, the Chawkidari Panchayet Act of 1870 was the first step taken in this direction. Subsequently, the Local Self-government Act 1885, the Village Self-Government Act 1919, and the Basic Democracy Order 1959 provided the foundation of the local government system in this country. During the Bangladesh period, legal frameworks like Presidential Order no. 22 of 1973, the Local Government Union Parishad Act 1973, Local Government Ordinance 1976, the Local Government (Upazila Parishad) Ordinance 1982, and the Local Government (Union Parishad) Ordinances 1983 and 1986 institutionalized the existence of rural local government bodies (Siddiqui 1994). Other than these, the Pourashava Ordinance 1977, the Chittagong Municipal Corporation Ordinance 1982, the Dhaka Municipal Corporation Ordinance 1983, the Khulna Municipal Corporation Ordinance 1984, and the Rajshahi Municipal Corporation Ordinance 1987 have created municipal local governments here. Later on, the municipal corporations were upgraded to city corporations. The Rangamati Hill District Local Government Parishad Act 1989, the Khagrachari Hill District Local Government Parishad Act 1989, the Bandarban Hill District Local Government Parishad Act 1989, and the Regional Council Act 1999 have created the Hill District Local Governments in that part of the country (Siddiqui 1994). Recently, the Gram Sarker Act 2003 has facilitated the revival of Gram Sarker,³ the village local government, in Bangladesh.

³ During Ziaur Rahman's presidency back in 1980, "Gram Sarker" was introduced, as one of the tiers of rural local government, to involve rural people in governance, but after the intervention by General Ershad in 1982, the system was abolished.

A. Local Government Structure in Bangladesh⁴

Bangladesh has, generally, four types of local government systems in rural areas and two types in urban areas. The rural local governments are the Zila Parishad, the Upazila Parishad, the Union Parishad and the Gram Sarker. Urban areas have a separate set of local governments, which are the City Corporations and the Pourashavas. The six divisional headquarters of the country have City Corporations, and the major towns fulfilling necessary criteria (population, inhabitants' professions, revenue income, etc.) have the Pourashava type of local government systems. The Pourashavas are again divided into three categories— Class I, II, and III—according to their annual revenue income. A different kind of local government system exists for the three hill districts, namely Rangamati, Khagrachari, and Bandarban. At the district level are district councils. There are also the Union Parishads and Karbari systems (headed by the Headmen among the tribal people). A Regional Council for the three districts coordinates the development issues of the districts. The Local Government division of the Ministry of Local Government and Rural Development deals with the local government system of the plains districts, and the Ministry of Chittagong Hill Tracts deals with the local government issues of the hill districts (See Appendix).

B. Functions of Local Government in Bangladesh

Rural and urban local government bodies are entrusted with a large number of functions and responsibilities relating to civic and community welfare as well as local development.

1. Rural Local Government Functions

The functions of the Gram Sarker, Union Parishad, Upazila Parishads, and Zila Parishads are elaborate. The Gram Sarker has been assigned the following functions:

⁴ At present, the Upazila Parishad and the Zila Parishad have no elected functionaries. They are run by civil service officials. Although the major political parties have a consensus on the Upazila System, introduced during the military rule of General Ershad, as a tier of the local government system, the ruling party is seriously divided; the Government is very hesitant to go for Upazila elections in the face of the opposition of the MPs. The MPs feel threatened that the emergence of Upazila Parishad chairmen would undermine their position at the grassroots level as coordinators of development activities. On the other hand, Zila Parishad, unlike the Upazila Parishad, has still to draw the attention of the major parties. The Zila Parishad too was introduced by General Ershad and initially drew massive opposition from major political parties.

- maintain law and order and control terrorism, violence against women, etc.;
- conduct socioeconomic surveys of households;
- maintain vital statistics like registration of birth, death, marriage, etc.;
- make plans for natural resource management and development;
- supervise management of primary educational institutes, motivate parents to send their children to school, and create better awareness for adult and female literacy;
- ensure participation in local and central government development planning;
- encourage cooperatives and NGOs;
- initiate participatory development of local roads, bridges, culverts, etc.;
- support various development activities related to agriculture; and
- Assist various organizations in their development efforts (UNESCAP 2004).

Union Parishads have been assigned functions quite similar to those of Gram Sarker. In addition, Union Parishads have been assigned the adoption and implementation of poverty alleviation programs, directly by themselves and through nongovernment organization (NGOs) and cooperatives. The Upazila Parishads are entrusted with functions similar to those of Gram Sarker and Union Parishads. In addition, they have the responsibility of making integrated 5-year development plans for the Upazila on the basis of plans submitted by the Union Parishads. Zila Parishads are responsible for implementing district-level economic, social and cultural development programs and preparing project proposals for roads, bridges, and culverts.

2. Urban Local Government Functions

Pourashavas and City Corporations have both compulsory and optional functions. The mandatory functions are

- construction and maintenance of roads, bridges, and culverts;
- removal, collection, and disposal of refuse;
- provision and maintenance of street lighting;
- maintenance of public streets, provision of street watering;
- establishment and maintenance of public markets;
- plantation of trees on roadsides;
- regulation of unsanitary buildings and prevention of infectious diseases and epidemics;
- registration of births, deaths, and marriages;

- provision and maintenance of slaughterhouses;
- provision and maintenance of drainage;
- control over the construction and reconstruction of buildings;
- provision and maintenance of graveyards and burning places; and
- control over traffic and public vehicles.

Optional functions include checking adulteration of food products; control over private markets; maintenance of educational institutions, parks, gardens, etc.; provision of flood and famine relief; establishment of welfare homes, orphanages, veterinary hospitals, public libraries, public latrines, urinals, etc.; celebration of distinguished visitors; celebration of national holidays; promotion of community development schemes, naming of roads and numbering of houses, etc. (UNESCAP 2004).

Apart from the formal functions described above, the Pourashavas/City Corporations perform some additional functions such as issuance of certificates and settlement of petty disputes (over ownership/control of land, houses and markets) through discussions with concerned parties and with the help of commissioners and other functionaries. Union Parishads are also given a quasi-judicial role and they conduct village courts to settle petty criminal cases.

C. Local Government Finances

The sources of income of the local bodies are generally taxes, rates, fees, and charges levied by the local body, as well as rents and profits accruing from properties of the local body and sums received through its services. Contributions from individuals and institutions, government grants, profits from investments, receipts accruing from the trusts placed with the local bodies, loans raised by the local body, and proceeds from such services and other sources of income as governments may direct to be placed at the disposal of a local body. Holding taxes is the most important source of own income of local bodies. Loans and voluntary contributions are rare. Nontax revenues are of two kinds: fees and tolls and rents and profits on properties of the local bodies. Urban local bodies raise some 55–75% of the revenue from their own sources, while a significant proportion comes from government grants. Nowadays, foreign or international project funds also contribute a significant share of a corporation's budget (UNESCAP 2004).

IV. Personnel Systems in Local Government

Local government bodies in Bangladesh are managed by a combination of elected and appointed personnel. Election is provided for in every local government system. But practically, only the Union Parishad and the urban local governments (Pourashavas and City Corporation) have elections; the other local government systems are run by appointed personnel. In the Hill District, Regional Council, and Zila Parishad, the chairmen are nominated by the government. Due to not having elections, the functions of the Upazila and the Zila Parishad are done by the Upazila Nirbahi Officer and the Chief Executive Officer (CEO), respectively. They have some subordinate officers and staffs, deputed and recruited. Each of the six City Corporations and a number of Pourashavas have a CEO seconded from the central civil service. All other officials, whether directly recruited by the Pourashavas or City Corporation, or coming on deputation, are directly under the CEO. He assists the Chairman or Mayor in the affairs of the Pourashava or Corporation. Any local government body may appoint temporary class IV (lowest-level) employees on a work charge basis to meet urgent requirements. Training of local government officials and employees is generally limited to the officers and conducted at the National Institute of Local Government (NILG), located in Dhaka. Elected representatives as well as appointed and nominated personnel are provided with training at NILG. Lower-level technical or general staff are rarely given any training or any chance to improve their skills.

V. The State of Local Government in Bangladesh

Major Concerns

A. Legal Ambiguity

Legal ambiguity is one of the major obstacles to strengthening local governments in Bangladesh. The Constitution provides for local government in every administrative unit of the country. It has not been clear in the Constitution how many local government tiers would be created. Bangladesh has administrative units at Division, District, and Upazila levels. According to the spirit of the Constitution, Bangladesh should have local government at those three levels and not at the Union level, as there is no administrative unit at Union. But Union Parishad is the oldest local government institution of our country. Since independence, due to this legal ambiguity, lots of experiments have been done regarding the tiers of local government, which are still causing

policy incoherence. These types of changes and experiments have not only destabilized the system, but also caused the local government system to distance itself from the community it is supposed to serve.

Moreover, unlike the executive, judiciary, legislative organs, and Constitutional bodies of the country, the Constitution contains no details regarding local government, i.e., its composition, staffing pattern (appointment and removal of officials and staffs), functions, finances, etc. Exact relationships between the field-level units of various government departments and the local governments is inadequately defined. This creates opportunities for the different political governments to use the local government according to their desire rather than strengthen it with real autonomy and devolution.

B. Central-Local Links

The issue of autonomy is intimately related to the local government bodies because they are elected by the people. It is because of autonomy that local bodies are considered separate from the government departments. Autonomy, of course, does not imply independence from the laws and rules passed. But if the laws and rules are such that the day-to-day operations of the local bodies are to be controlled by the ministry or a government department and be virtually subordinated to the latter, then the law/rules are clearly in contravention of the principle of autonomy.

The national Government forces legislation on local bodies and formulates detailed rules relating to conduct of elections; business; powers and duties of chairmen, members and commissioners; assessment of taxes; preparation of budgets; making of contracts; appointments and service matters of local government employment; accounts and audit; and many other important areas. Even when local governments make regulations, these are to be approved by the central Government. The central Government

- has the final authority in the determination of the size and boundaries of the local body's territory;
- has the power to decide on the structure and composition of the local bodies;
- substantially controls the personnel system of local bodies, particularly the appointment of the CEO in City Corporations and Pourashavas, as well as other officials;
- may order an inquiry into the affairs of a local body generally or into any particular affair, either on its own initiative or on an application made by any person to the government;

- has the power to dissolve a local body on charges of gross inefficiency, abuse of power, or inability to meet financial obligations;
- controls the functional jurisdiction of local bodies: besides designated functions (as in ordinance), the Government can assign any other function to a local body;
- must settle interinstitutional disputes within local body areas;
- decides the sources of income, the rates of taxes, and the expenditure; and
- allocates resources to the local governments as grants (food grants, matching grants, block grants like Annual Development Programme (ADP), etc.), a portion of staff salaries, budget, etc;

C. Role of the Member(s) of Parliament

The main quest for reintroduction of parliamentary democracy in 1991 was to create an accountable and transparent system of governance. Unfortunately, however, it appears from the experience that the members of Parliament (MPs), having undermined the spirit of the doctrine of separation of powers, now tend to capture every bit of the system. Going beyond the legislative role, their influence permeates every organization of the state. Now they are advocating a formal role for themselves in local government and today they are the advisors to local government institutions. However, in effect, their advisory role transcends the role of the elected functionaries. Now, theoretically and practically, local government organizations have become subordinated to the MPs (Majumder 2003).

Some people argue that today, MPs are to keep the constituents happy and hence their advisory role can be accepted (Siddiqui 1994, People's Republic of Bangladesh 1997), but in effect, it has undermined the local government bodies (Siddiqui 2000). However, in response one may argue, as far as the Constitution of the country is concerned, nothing prevents the MPs from being involved in local government functions. Constitutionally, MPs are supposed to be confined to legislative and oversight functions. Today, under the gloss of parliamentary government, MPs are participating everywhere that results in expanding their main role of oversight. They are getting involved in nitty-gritty issues of microcommunities of rural life. Their resultant tussles with the local government functionaries contribute to emerging factional politics at the lowest level of the society. It must not be forgotten that parliamentary democracy does not mean to establish the tyranny of the members of the parliament. It is worth noting that the government is holding elections at the upazila level in the face of the vehement opposition of the MPs.

D. Unrealistic Work Allocation

The functions that have been allocated to the local governments are very ordinary in nature. Sometimes the same function is allocated to more than one organization and the absence of specific definition and jurisdiction makes “everybody’s business nobody’s business.” Sometimes, without considering the ability, resources, and logistical supports (office, vehicle, office equipment, etc.) a lot of responsibilities have been allocated to the local government.

Rural local governments are formally allocated 38 separate functions. Realistically, they are able to undertake five to six of these activities, and even then in a very limited manner. Urban local governments have 22 assigned activities, of which they carry out in some fashion approximately 50% of these tasks (Rahman 2000). Moreover, lack of managerial capacity, inability to deliver services, poor record keeping, and concealment of decision making, as well as lack of inclusion of stakeholders, also confirm the structural weakness of the system.

E. Extent of Public Participation

The Constitution of Bangladesh categorically emphasizes the need for establishing local government with a representative character (People’s Republic of Bangladesh 1996). It also implies direct participation of the people in constituting their local body and in managing the affairs of such bodies. However, in the years following the adoption of the Constitution, the spirit of people’s participation in local bodies was not always adequately maintained. Frequent changes in the local government structure are partly responsible for this. The only participation is the opportunity of casting votes during the election of local bodies. But in planning, implementation, monitoring, and other decision-making processes, the people have no scope of participation.

F. Financial Power and Sources of Income

Lack of financial power and inadequate resources cause the local government bodies to function badly. Lack of local planning, inadequacy of local resources, inadequate rules and regulations regarding resource mobilization, fear of losing popularity, lack of confidence in the citizens, citizens’ reluctance to pay taxes, inefficiency in local resource collection, irregularity in tax collection, and corruption all contribute to poor collection of taxes and weakness of the local government bodies in Bangladesh. For example, the Union

Parishad has neither an assessment list nor any permanent tax collector (the tax collector works on a commission basis and the rate of commission is inadequate). No local government body has authority to issue notices or attach properties of tax defaulters.

The reasons for poor collection of the urban local governments are poor assessment systems, lack of efficient manpower, and legal issues (e.g., more than 50% of property assessments of Pourashavas are appealed, with proceedings taking time and judgment generally going against them). Corruption is another major reason for low collection of taxes. Provision is made for auditing all the books and documents and also the elected and nonelected functionaries of the body. But in practice, local government auditing is lax and irregular and amounts to mere paper audits (Siddiqi 2000).

The local government units do not receive all the resources generated from their entitled sources. For example, in the case of Union Parishads, of the revenue generated from the leasing of the rural market, 25% is retained by the national government and 10% by the Upazila, 15% is earmarked for the maintenance of the market, and only the remaining 50% is the entitlement of the Union Parishad (Shawkat Ali 2002). This means that the Union Parishads virtually have no direct control even over resources generated from its jurisdiction.

VI. Policy Guidelines for Establishing a Strong Local Government System in Bangladesh

Bangladesh is one of the most densely populated countries of the world. Given the country's poor economy, this huge population expects the country to adopt pragmatic, need-based and people-oriented policies and strategies. More than 3 decades have so far elapsed and many development strategies have been tried, but have brought few results. Today, in this era of democracy, people's participation is highly regarded as a major approach to tackling poverty and other difficulties that engulf the third world countries. Local government, on the one hand, can contribute to consolidating democracy—not a choice but a necessary condition to promote good governance and development in the third world—and on the other hand, can make people work for the country by creating a sense of ownership over the policies and plans. Moreover, it is a proven fact that it is becoming increasingly difficult for the central Government to reach the community with specific plans and policies. Therefore, there is no denying the fact that we need a very strong local government, with succinct visions and independence. In this section some strategic points are shared to establish a visionary and independent form of local government system.

A. Consensus Regarding Local Government Tiers

As the Constitution does not clearly stipulate how many tiers of local government Bangladesh should have, we see frequent debates on this issue. It is necessary to reach a consensus nationally. The Local Government Commissions constituted under the two successive democratic governments in 1991 and 1996 reached different opinions. The scholars are also divided on the issue. Some experts like Ali have opined for declaring the Union an administrative unit for keeping congruity with the Constitution (Shawkat Ali 2002). But he has said nothing about the local government unit at the divisional level. From experience, we see that at the district level, no elected local government has ever existed. It is also not been viable to arrange elections at the district level. This large type of institution may not ensure proper participation and may functionally contradict the district administration, the core office of the central Government. We also see that the Upazila system could create some kind of real local government system, having adequate manpower, autonomy, flexibility in expenditure, planning, etc.; and the system could reach to the people to a large extent. It could have been an example of the best form of local government system in Bangladesh since independence. So Upazila could be a tier of local government. The Union Parishad is the oldest local government institute and over the years this tier has earned a wide acceptability to the rural community. But the local government at the village level has done nothing but disable the Union Parishad and politicize the system. This is why this paper suggests a two-tier local government system in Bangladesh. Of course, further discussion among the scholars, the politicians, and the bureaucrats may bring a better idea suitable for Bangladesh.

B. Real Autonomy for Local Government Bodies

First of all, the Government should give proper autonomy to the local government units. Unless and until proper autonomy is given, the local government cannot function as it is supposed to. The Government should withdraw its political stake from the local government and let it function for the interest of the people. As the prevailing experience shows, the role of the MPs in the local government bodies has not proved very productive, rather it has violated the principle of separation of powers. Appointing MPs as advisors should be dropped. Instead, people's participation should be ensured in policy making and implementing from the bottom up and the supervision should be ensured by an independent local government commission.

C. Independent Body for Supervision of Local Government

Local government institutions are independent of one another. Structurally and functionally, the rural local government tiers are vertically placed in the local government system of Bangladesh, which seems contrary to the character and purpose of the units. The tiers also represent different interests. None has any natural right to supervise the activities of the others. The central Government also cannot supervise day-to-day matters, as it will cut the autonomy of the local government. But no organization, including the local governments, can effectively operate without supervision. From this point of view, a permanent and independent local government commission should be formed for the purpose of supervising local government. The Local Government Reform Commission of 1997 favors this recommendation (People's Republic of Bangladesh 1997). The recommendation of the Local Government Task Force of 1991 for creation of the Office of Ombudsman for the local councils, as is the case in the United Kingdom, is similar to this (People's Republic of Bangladesh 1997).

D. Ensuring Participation and Accountability

Participation is the spirit of the local government system. The word "local" does not only mean geographical area but also the local population. Local government virtually means the people's participation in the local government bodies. Adequate participation can ensure accountability. Periodical accountability of the local government is ensured through elections, which take place every 5 years. But irregular elections, manipulation of elections, vote hijacking, etc., can curb accountability. Free and fair elections should be arranged regularly. For better participation, the term of the local government bodies might be reduced to 3 years from 5 years. Audits, inspection, and appeals to higher bodies are other measures for ensuring accountability. Further accountability of the local government bodies can be ensured by following the steps mentioned below:

- at the beginning of the financial year, a prepared budget should be displayed in public places for the information of the people;
- development projects, estimated costs, selection of sites, etc., should be displayed in the same way;
- printed copies of Annual Reports of every local government institution should be displayed; and
- every local government body should organize a public meeting every quarter to receive complaints.

E. Management of Manpower

Shortage of manpower and dependence on the central Government is one of the major reasons for the weakness of local government bodies. So different scholars have suggested that local government should have its own manpower. But if this is done, the cost of local government will increase and the local government bodies already cannot afford the salaries of existing staff. This is why it is recommended that the deputation system of the officers continue on an interim basis until the local government bodies are financially self-sufficient and able to afford the additional staff. The local government bodies that are suffering from an acute staff crisis, (such as the Union Parishad, which has only one secretary for all the official jobs), should be provided with necessary staff by the Government immediately at the latter's cost. The proposed Local Government Commission should be given the authority to recruit the required manpower for different local government units. Disciplinary actions and other career functions of the local government employees should also be dealt with by the Commission. Similarly regarding the elected officials of the local government bodies: officials both elected and appointed should be given proper training in the field of office management, local government rules and regulations, financial management, human resource management, leadership, and other necessary areas. The responsibility for training those personnel may be given to the NILG, Bangladesh Academy for Rural Development (BARD), Rural Development Academy (RDA) and some NGOs (e.g., Cooperation of American Relief Everywhere (CARE)-Bangladesh is performing such training). The local government elected members, including women members, should be given specific responsibilities to ensure proper distribution of functions.

F. Strengthening Financial Capacity

The weaknesses of the local government in resource mobilization can be removed by a system of central collection of taxes with strong local government supervision, which will reduce costs, increase efficiency, and benefit both. A previously determined portion of the collected taxes will automatically accrue to the local government. Siddiqi (2000) has mentioned that this type of collection system has been proved viable and effective in the Indian state of West Bengal.

To revive people's confidence, the local government should increase service delivery to the citizens and enhance service quality. The government should finance primarily for this purpose. The government should also specify the areas of tax collection for different local government units to avoid overlapping.

Every local government should prepare an assessment list and update it every 5 years. For better results, private audit firms should audit local government bodies. They can also go for some profit-generating activities such as small industries, cold storage, go-downs, shopping complexes, auditoriums, community centers, boarding guesthouses, etc., for attaining self-sufficiency in the financial sector.

Leasing of the *hats*, bazaars and *jalmahals* (water bodies) may be vested in the hands of a leasing committee, more broad-based, ensuring greater transparency in the leasing arrangements. It will also prevent politicization and nepotism in the leasing procedure, which used to cause reduced rates and hampered the interests of both the government and the local bodies.

General grants for the local government should be on the basis of tax collection performance; matching grants should be reserved only for the local government bodies with the best tax collection records. Local government institutions should undertake income-generating activities with their own/borrowed funds or in joint venture with NGOs or community-based organizations or with private entrepreneurs. The banks should be instructed to allocate loans for local government bodies. The large local government units should be allowed to issue bonds to implement important projects. This type of bond issues are becoming common in India.

The Local Government Reforms Commission of 1997 has recommended establishing a Local Government Finance Commission for exploring income-generating ideas for local government bodies. Implementing this could further advance things (People's Republic of Bangladesh 1997).

G. Ensuring Local-Level Planning

While the Union Parishad functionaries have the local knowledge and information, the Upazila level officials have the technical expertise and the relevant experience. A combination of the two should be able to produce comprehensive 5-year/1-year village and Union plans based on systematic data collection. The planning commission, the Bangladesh Institute of Development Studies (BIDS), BARD, RDA, etc. can help in this process and can also use the output in larger-scale planning activities. Similarly at the Pourashava and City Corporation level. This type of local-level planning will also ensure people's participation in the local government system.

H. Making Unified Local Government Rules and Regulations

The contradictory and numerous piecemeal acts, rules, regulations, and circulars regarding local government should be unified. Detailed laws should be there for each local government body. This will remove ambiguity and duplication of functions and responsibilities between the different local government bodies.

I. Introducing LGO-NGO Collaboration

There is scope for greater local government organization (LGO)-NGO collaboration at every level. The NGOs can benefit by getting local-level information, planning, logistical support, and guidance from the LGOs. On the other hand, the NGOs can help the LGOs by giving training to local government functionaries and assisting in policy implementation, institution building, and other capacity-building activities. A formal organizational relationship should be created between the two, which will explore and facilitate further areas of collaboration.

VII. A Strong Local Government: Making it Happen

Making a strong local government system happen involves different actors in various roles. Only concerted effort by the actors can bring such a project to realization. The major roles of the key actors are given below.

A. Citizenry: Constant Advocacy

Constant advocacy is essential to creating pressure on the ruling elite and reaching the target. A coalition involving local government experts, functionaries, academics, people's representatives, legal practitioners, and civil society representatives should hold the issue before the nation to motivate them to promote decentralization through democratic local bodies. The coalition should foster debates and discussions to create a pathway for consensus on i) a complete overhaul of present legal local government frameworks, ii) decentralization of central government functions and devolution of central authorities, and iii) sharing of central resources by the local government institutions (Majumder 2003). The vision of the advocacy program should be *"running the state by local governments."*

B. Political Parties: Putting it on the Political Agenda

The major political party should realize the importance of strong local government and put it on its political agenda. The activists of the political parties have the role to influence the party toward creating the system.

C. Government: Taking the Nation to the Right Approach

The Government has the pivotal role of making strong local government happen; globally the local government approach is replicated for establishing accountable and responsive governance. The tendency for the central Government to accumulate power has proved counterproductive. In our context, the importance of local government is even greater because of the huge pressure stemming from millions of people in a very limited territory. Therefore, promoting the cause of local government would be the right approach for the government.

VIII. Conclusion

The local government system has great potential. If local government bodies are strengthened through capacity building and can function with proper autonomy and devolution, they will reduce the central government's functions and responsibilities. Rural development will be possible by local resource mobilization, LGO-NGO collaboration, local-level planning, and proper utilization of resources. People's participation in local government will strengthen the democratic process and culture, which will bring overall accountability and stability to Bangladesh.

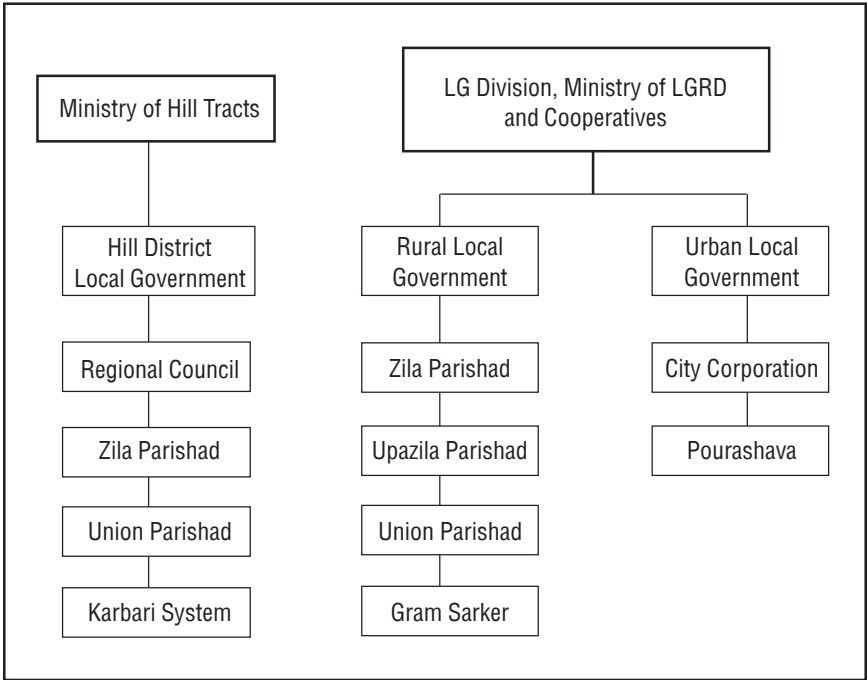
Local government is a part of total governance. Bangladesh, as well as the other third-world countries, has been suffering from an acute governance crisis. The local government units are also victims of this bad governance. For better performance of local government bodies, the country's overall governance should be improved. The political authority, the civil servants, the academicians, and the civil society should contribute to this improvement.

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Appendix

Structure and Hierarchy of Local Government in Bangladesh



LG=Local Government; LGRD= Local Government and Rural Development
Source: Author's research.

Strengthening Democratic Institutions in Nepal: Issues and Challenges

Govind Prasad Dhakal¹

I. Introduction

Perestroika and *glasnost* in the USSR and Thatcherism in the United Kingdom made a tremendous impact on global governance. Political liberalization and the open market system received a healthy welcome worldwide. Nepal, undoubtedly, could not remain isolated from these influences. As a result, Nepal also entered into a democratic era in 1990 through a people's movement after 30 years of one-party-dominated *Panchayat* polity. Declaration of a new democratic Constitution for the Kingdom of Nepal in 1990 gave a high order to the democratic principles in governance, stating that Constitutional Monarchy, Parliamentary Democracy, Multi-party System and Human Rights would not be altered under any conditions. The main law of the land also instructs the governing system to pursue justice, equity, and the welfare of women, children, and deprived and backward communities with the adoption of the principles of people's participation and decentralization of authority to local-level bodies to the maximum possible extent.

The Government, respecting the constitutional spirit, passed the first Local Body Act 1992 transferring many of the centrally held authorities to them. However, the Government thought that the authority transferred to the local bodies through the Act was inadequate (HMG/N 1992). Therefore, in 1997, the Government, through Parliament, formed a High Level Committee for Decentralization under the chairmanship of the then Prime Minister for the transfer of the centrally located authorities to the local bodies to the maximum possible extent. On the recommendation of the High Level Committee for Decentralization (HLC for Decentralization 1998), the Parliament passed a Decentralized Local Governance Act 1999 transferring central-level authority to the local bodies, viz., Village Development Committees (VDCs), District Development Committees (DDCs) and Municipalities (HMG/N 1999).

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The local bodies, through this Local Governance Act 1999, got the planning, implementing, monitoring, and evaluating authority for local-level activities. Thus, the local bodies could carry out development activities in association with nongovernment organizations (NGOs), community-based organizations (CBOs), or consumer societies, depending upon the matter concerned. If such bodies were not in existence, the local bodies were supposed to create these organizations and provide training to prepare and implement local plans and programs. The participation of local NGOs and CBOs in local development plans and programs has been made mandatory to facilitate the successful implementation of the decentralization plans and programs. Efforts have been made to strengthen the local bodies to take part in the development discourse and governance system so as to ensure the people's participation in development. However, the challenges ahead are enormous. Among them are low levels of health care and education, high dependence on agriculture, accelerating urbanization with rising levels of poverty, low levels of social development indicators, and rising levels of domestic unemployment. On top of these, the abrupt dissolution of the House of Representatives by the then Prime Minister, Mr. Sher Bahadur Deuba, which was followed by the discontinuation of the elected local bodies (the legal provision is that the local bodies could be continued for 1 more year in case elections are not duly held after the expiry of the 5-year term) have virtually left the country in disarray. The emergence and expansion of the Maoist insurgency in the country have posed a great threat to democratic institutions. The continuous mobilization of the army to combat the Maoists through repeated clamping on of states of emergency, and the irresponsible role played by the political parties (most often it is said that the political parties are only politicking for power instead of looking into the issues and bring them jointly to a solution) cannot be described as good practice for strengthening democracy in Nepal. The agony does not end here. Continuous destruction of the local-level infrastructure by the Maoists (sources indicate that the Maoists in Nepal have destroyed Nepal rupees [NRs] 10 billion) in property and regularly attack civilians, most of them politicians and commoners who disagree with the Maoists) has further shaken the foundation of democracy through decentralization.

This paper, on the basis of the above features, has made a humble effort to sketch out the process of strengthening democratic institutions in Nepal through various reform measures and has also tried to shed light on the issues and challenges lying ahead in this process.

II. Early Attempts to Strengthen Democratic Institutions

After the overthrow of the 107-year-old feudal Rana Regime, Nepal entered into a new era of governance in 1951 through a popular revolt and armed insurrection led by the Nepali Congress under Mr. B. P. Koirala (Aggrawal 1975). This brought forth numerous changes in the Nepali socioeconomic and political sphere. Transition from the feudal political culture, with agrarian socioeconomic conditions, to a modern democratic system with not only structural but also functional changes was not a simple task.

The new polity allowed, for the first time in Nepalese history, political parties to form and function along with the new and modern administrative setup. However, some officials from the old regime were also inducted into the new administrative system, vowing to bridge the gap between the traditional and modern (Aggrawal 1975). Side by side, fresh university graduates were inducted into the system to ensure the promotion of modern democratic government not only at the political level but also at the administrative level.

In the mid-1950s, an Administrative Reorganization and Planning Commission was formed under the chairmanship of the then Prime Minister, Mr. Tanka Prasad Acharya. This was the first native effort to introduce necessary changes in the administrative system (Poudyal 1989: 77). Although, right after the introduction of democracy, one Indian mission under M. N. Butch came to establish a Nepalese administrative setup in line with that of the Indian administrative system, this could not have been completely carried out. Undoubtedly, these efforts led to the formation of the first-ever Civil Service Act 1956 and Civil Service Rules 1956. Other innovations in institutionalization were the creation of an independent judiciary and a Public Service Commission for the establishment and promotion of the merit system in administration; the provision of freedom of speech and of the press; and guarantees of fundamental rights.

But this democratic system of state management did not last long. In 1960, the King overthrew the first elected government led by Mr. B. P. Koirala, banning all political parties and putting their leaders behind bars. The King became the chief executive of the country. In 1962, the King promulgated a new Constitution instituting a party-less Panchayat system, which lasted for 30 years until the popular movement of 1990. The major characteristics of this system were that the King was the source of sovereign authority and head of both the state and the Government; all executive, legislative, and judicial powers emanated from the King; the unicameral legislature was elected and the cabinet formed from this unicameral body; freedom of the press and freedom of expression were largely restricted; and even the judiciary was beholden to the monarch. However, during the one party-dominated Panchayat system a

nationwide network of village, town and district Panchayats was created and somehow acted in the interest of the people at the grassroots level (Shrestha 2000: 37).

During this period, governance-related reforms were regularly attempted. The former title of “Badahakim” (big boss) in districts was replaced by the Chief District Officer of the civilian administration, who was (and is still) responsible for the maintenance of law and order and indirectly influences the administration of development programs (Shrestha 1975: 13). The Administrative Reform Commissions of 1967 and 1975 headed by the ministers were landmarks in the history of administrative reform in Nepal. Their major recommendations included the need for a performance-based evaluation system in the bureaucracy, stress on merit rather than on seniority for promotion, strengthened planning cells in the ministries, initiation of officer-oriented working procedures, preparation of organizational manuals, and establishment of an autonomous Administrative Staff College and Local Development Training Academy to train central and local-level public servants and public authorities.

Attempts were made to decentralize authority, aiming to transfer functions closely related to the local bodies to the local level. The Decentralization Plan of 1965, the District Administration Plan of 1974, creation of the Ministry of Local Development in 1980, and the Decentralization Act of 1982 were some of the efforts made even during the Panchayat regime. Among these efforts, the Decentralization Act of 1982 was the most far-reaching, because the line agencies of the districts were also brought under the direct control of the District Panchayats. The line ministries in the center were required to provide timely forecasts of the resources to be allocated to the individual districts. Thus, the District Panchayats developed the authority to plan for district development. User groups of direct beneficiaries were made the principal institutions for the planning, implementation, and ongoing management of development projects at the grassroots level. Before the execution of this act, Nepal reentered into the democratic system, with far-reaching consequences for the functional and structural aspects of governance.

III. Strengthening Democratization in Governance

A. The Administrative Reform Commission 1992

Soon after the restoration of multiparty democracy in 1990, the Government recognized the following weaknesses in the structural and functional aspects of the country's governance system:

- Employees were unmotivated, due to low salaries, lack of a justified system of promotion, and absence of a system of rights-based performance evaluation.
- The Government, through its agencies, was trying to control and deliver all sorts of services, a process that was quite lengthy, expensive, and burdensome. As a result the Government had to spend more than half of the total budget on employee salaries and allowances.
- The number of offices and employees had expanded unnecessarily, with no functional relationship between work and the organizational setup.
- The decision-making process, not to mention the delivery of services to needy people, incurred unnecessary delays.
- Paperwork was excessive, but real output scarce.
- The dispensing of government services showed lack of responsibility, transparency, and accountability, coupled with high cost and wastage (Report of the Administrative Reform Commission 1992: 3–5).

Therefore, the Government, under the chairmanship of the then Prime Minister Mr. Girija Prasad Koirala, appointed a High-Level Administrative Reform Commission (ARC) to examine these issues and to identify appropriate measures to fit the administrative machinery to modern public management. On the basis of its study, the ARC identified and recommended the following measures to strengthen the public administration machinery to empower and strengthen democratic institutions in Nepal.

- The Government, instead of playing an active role in all sectors, needed to play a promotional and incentive role, and transfer the activities to those sectors that could act better than the government machinery;
- The Government, instead of controlling each and every activity, needed to enter into the market mechanism. However, some control mechanisms were suggested to prevent the possibility of monopoly and to protect and support the remote, conflict-prone, and natural disaster-affected areas, paving the way for the presence of the Government in such areas.
- Those areas where administration had been carried out by NGOs, CBOs, and private organizations should be given to them through the mechanism of contracting out the services to the private sector.
- Mobilization of the NGOs and other private sector institutions should be maximized to deliver the concept of democratization in all sectors (ARC 1992).

Sectors to which the Government should pay special attention to adhere to the concept of the welfare state (as stated in the preamble of the 1991 Constitution), and which were more policy oriented, were recommended to be kept under the Government: for example, determination of national policies, development of basic infrastructure, creation of an environment of maximum participation, fundamental training and research, regulatory works, monitoring and evaluation.

The major reforms suggested by the commission are as follows:

- Reorganize the government machinery through right-sizing the ministries and departments.
- Reform the administration through down-sizing the number of employees and making bureaucracy appropriate, smart, professional, and service-oriented so as to be accountable, responsible, transparent, and participatory. Promotion, transfer, and faculty development programs were suggested to tie in with this direction.
- Modernize the performance evaluation system and make it more objective by adopting the principle of merit and competition. Keep bureaucracy corruption-free by increasing salaries and introducing modern incentive plans to further good governance (ARC 1992).

To support all the above-mentioned components and institutionalize the democratic setup, the ARC recommended establishing the National Council for Human Resource Development, which would work in collaboration with the ministries and departments to support their human resource requirements. The Government recently decided to establish a separate ministry for human resource development. Maybe this ministry will act as a coordinating body for the human resource development actors in the field. Accordingly, the Government envisaged plans and programs in due time.

B. Implications

The government tried to implement some of the suggestions made by the ARC of 1992. Employee salaries nearly doubled (however, they are still quite low, too low to maintain the minimum standard of employees), the performance appraisal system was introduced in a new way, down-sizing and right-sizing of the bureaucracy and the public organizations followed. But the bureaucracy is still not felt to be responsible, accountability is low, transparency is still minimal, corruption is rampant, public service delivery is lopsided and even out of the reach of the common masses, and disregard of the law is

common. The public administration still lacks positions or job classifications. As a result, people in the bureaucracy are still confused about what their specific role in the public management is.

Though the Government has established an autonomous constitutional body—the Commission for the Investigation of Abuse of Authority (CIAA)—and the cases for misuse of public authority and negligence have been registered and reported, the commission's effectiveness is questionable. Recently the Government chaired by His Majesty the King himself formed another Royal Commission for the Investigation of Abuse of Authority, which is aimed to speed up the investigation of misuse of public authority in the public service and at the political level. Even corruption in the judiciary is rampant: a district court judge was caught red-handed while taking a bribe from a public lawyer. This means the governance system, despite many reform measures, is crippled by corruption, poor functioning, and bureau-pathology.

The Government has followed the market system with deregulation, but in the absence of an effective evaluation and monitoring system, it has become a mockery. Public corporations are still “white elephants” to the treasury. The private sector is still demanding government protection in every aspect instead of competing in the market.

Despite all odds against any governance reform, some achievements have been encouraging. The mobilization of consumer societies, CBOs, and civil societies has been encouraging. Their participation in resource mobilization, resource generation, and resource utilization for development is appreciable. Due to the community mobilization in the development discourse, most of the local communities have been well empowered by resource and by capability.

C. The Government Structures at the Center

Nepal has adopted the Western ministerial model of democracy. The institutions for public management at the center are executive, legislative, and judiciary. The provision of a constitutional monarchy lets the prime minister head the Government in association with his ministerial colleagues. The constitution envisages a three-tier system of judiciary: the Supreme Court at the apex, the Appellate Court in the middle and District Courts at the bottom. A State Council (*Raj Parishad*) is provided, similar to that of the Privy Council of the United Kingdom. Constitutional organs are provided, viz., Nepal Public Service Commission, Election Commission, Commission for the Investigation of Abuse of Authority, Auditor General, and Attorney General (appointed by the King on the recommendation of the Prime Minister).

The central administrative system consists of 21 ministries and a National Planning Commission. Below the ministries are 54 departments and many field offices at the regional and district levels that come under the departments. Besides, there are corporations and other autonomous organizations, though highly dependent on government funding. Many of them have already been privatized or leased out or contracted out. Among such privatized organizations, some have deteriorated and have been taken back by the Government.

The Government is trying to down-size the number of public servants and has proposed increasing their salary and allowances so as to increase their level of confidence and professional skills. Accordingly, the Government has recently declared a 20% increase in salary as a “dearness allowance” and the employees have some respite. However, the resulting level is still quite low as compared to the market rates and the living standard.

D. Formation of the Decentralization Committee

Soon after the recommendations of the ARC, the Government, again under the chairmanship of the then Prime Minister, formed a high-level committee to

- strengthen the local governance system in the context of the decentralization and local governance policy;
- provide policy guidelines for decentralization; and
- regularize monitoring and evaluation of the implementation.

According to the recommendation of the Committee, the government in 1999 put through a Local Self Governance Act, thereby decentralizing central-level authority to the local bodies, viz., VDCs, DDCs, and Municipalities (municipalities, sub-metropolitan cities and metropolitan cities). This Act hands to local authorities a number of activities appropriate to the local level, with better chances of implementation at that level. The DDCs have been made the apex body at the local level; VDCs and Municipalities have been put under them, though the Municipalities have little control of the DDCs and the VDCs are completely under the control of the DDCs.

IV. Implications of the Decentralization Effort

Soon after the restoration of multiparty democracy in Nepal, the Government introduced the Local Government Act 1992. But this act could not cater to the interests of the local bodies, as they needed more political and

financial authority to carry out the spirit of decentralization. Soon after the recommendations of the HLD Committee (as mentioned earlier), the Government introduced a more advanced Act for decentralizing local bodies, the Local Self Governance Act 1999, which empowered local authorities to plan, implement, monitor, evaluate, and control local-level activities (HMG/N 1999). For the pursuit of all these activities, a number of financial allocations were made. The resource base has been widened so that the local bodies could meet their requirements. The land tax has been transferred to the local bodies. A set of working procedures has been laid down in the Local Self Governance Regulations 2000. According to this regulation, DDCs can establish their own line agencies in the subject area of their choice, provided that they have participatory planning and database and information management.

With the support of the United Nations Development Programme (UNDP) and the Danish International Development Agency (DANIDA), the National Association of Village Development Committees (NAVIN), the Municipal Association of Nepal (MuAN) and the Association of District Development Committees Nepal (ADDCN) have been created to speed up the process of local development through decentralization in their respective areas. But the creation of such organizations at the national level is sometimes equated by their functions with the already established training institutes at the national level such as Local Development Training Academy. This is because these organizations are still not clear what exactly they want to do and what is their exact role, so they duplicate the role of the already existing organizations for human resource training and development. With development partner encouragement, these organizations, instead of working as policy supporters, are encouraged to take on functions that are already being professionally carried out by the established institutes. The creation of such organizations is, undoubtedly, a healthy sign of participatory democratic institutions, provided that the role they identify is an appropriate and urgent one that they are capable of carrying out in the right direction.

V. Promotion of Civil Societies in Development Discourse

Positive developments relating to the democratization of governance institutions in Nepal have taken place over the past 1 1/2 decades. As mentioned above, civil societies, CBOs, and NGOS have been made mandatory partners in the process of local infrastructure building and socioeconomic development to help carry out the activities of the local bodies. To promote this role of civil societies, the number of civil societies has increased. Their registered numbers are now around 25,000, but the actual number in the field is said to be around

8,000. There are Savings and Credit Groups, Mothers Groups, and Rural Development Banks, which not only provide credit in most of the rural areas to support women entrepreneurs, but also mobilize their savings to promote entrepreneurial skills. These are some of the humble achievements in the mobilization of the communities through democratic organizations.

The civil society organizations in Nepal can be broadly classified in the following categories:

- NGOs, which are registered under the Social Service Act in the Social Welfare Council after the registration of the District Administration Office of the Ministry of Home Affairs. At least seven partner members are needed to form an NGO, ensuring that it follows the principles of democratic organizations.
- CBOs, which may be registered in respective local bodies but are formed for specific development purposes.
- Cooperatives, which are registered under the Cooperative Act; at least 25 members having equal rights are needed and it functions under the principles of cooperatives.
- Consumer societies are formed for support or development of specific functions or to deliver specific services, such as forest user's groups (community forestry).
- Some other informal organizations are also working in the field of development and are institutionalized in democratic practices, but are not formally registered. These are traditional social and developmental organizations supporting specific social groups.

Many of these are institutionalized in democratic governance but others still have a long way to go. Thus, after the reinstatement of the democratic system in Nepal, the emergence, growth, and development of the institutions have been phenomenal. The government organizations at the center and at the local level have democratized; so also the civil societies.

Now the Government is preparing to hand over the government-run schools to School Management Committees so as to decentralize health care, agriculture, and other development activities to the local bodies and civil societies. A definite block grant is to be provided to such management committees, but the user committees would handle the rest of the functions.

Thus, the more the capabilities are growing in the organizations and leading toward institutionalization process, the more the Government is prone to decentralize the authority to the local bodies.

VI. Issues and Challenges

- As the country had a feudal culture for centuries, the mindset of the politicians and the bureaucracy is still not out of this culture. Therefore, the government bureaucracy lacks the necessary capacity to approach problems in a professional manner to carry out the policy of decentralization.
- The bureaucracy also lacks the capacity to internalize the decentralization-related lessons from success stories in the country.
- Most of the organizations and their programs are donor-driven; they lack self-projection as well as self-assessment prior to entering into the final agreement.
- The political leaders are still working for the fulfillment of their personal interest rather than the interest of the democratic institutions of the country. A glaring example is the constant, untimely dissolution of the House of Representatives and the discontinuation of the local elected bodies under similar unfavorable circumstances, where common logic is disregarded, making the functioning of the democratic institutions very questionable.
- The weak form of service delivery in the country has discouraged the common masses and their thinking has become apathetic toward democratic practices. Even in the minds of the common masses, due to the malfunctioning of the bureaucracy and unresponsive behavior of the politicians, the bureaucratic-politic functioning does not exist for them.
- Institutionalization of the decentralization efforts through capacity building of the local institutions, including the civil societies, still has miles to go, because a vast gap exists between the policy initiation and the local capacity to carry out the decentralization spirit of the country and meet the objectives enunciated in the Act.
- The rising influence of Maoism in the country has shattered the structural and functional aspects of the democratic institutions. This has been fuelled by the rising trend of unemployment, which is working against democratic institutions. If not duly addressed, this would lead to the decline of democratic practices in Nepal.

Following are some of the challenges ahead.

- Establishing elected bodies at the center and the local level, which can ensure the process of democratization at the institutional level, is very much needed. This seems quite uncertain at present, due to

inability to conduct elections at national or local levels. This is feasible only when the representative institutions are run with amicable solution of the Maoist-related issues.

- Changing the mindset of the actors in governance is essential, but seems quite difficult in Nepal. Domination by the seniors in the management and lack of due recognition of the professional youths in the domain of public management seem to be obstacles to democratizing public institutions.
- Minimizing the domination of aid providers in the functioning of public institutions and increasing the ability of the Government to identify the areas where it needs aid provider support are both needed. A sort of interference through the development community occurs in the governance practices in Nepal, which can only be minimized when the decision-making capacity of the Government is increased and the support is demand-driven.
- Undue political interference creates obstacles to democratization in public institutions. Most often the established legal norms are disregarded or violated to favor patronage, which not only bars the professional capacity from entering and staying in the organizations, but also encourages rascals to run the organizations despotically. However, how to minimize this trend is a major question before us.

VII. Conclusion

Nepal since the restoration of democracy has achieved success in establishing and promoting democratic institutions and practices. It has successfully made a most democratic Constitution and successfully established democratic institutions at the national and local levels. Many democratic organizations entered in the form of civil societies, which contributed not only in the field of management but also in the field of social mobilization and economic development of the weaker sections of the society.

Despite the positive efforts by the various sectors, however, the democratic culture in the country is marred by the unruly behavior of the political leaders and unresponsive behavior of the bureaucracy. Delivery of services has been mostly disregarded, the common masses are ignored, and only the few get to share in public support. As a result, the process of democratization seems halted. Aid provider support is also misutilized in favor of the few and even the support is taken without justification. This situation is aggravated by the ever-rising influence of Maoism, which is acting entirely opposite to the spirit of democracy. The abrupt dissolution of the House of Representatives and the

discontinuation of the local bodies in the country has certainly helped the Maoists in achieving their objectives. Therefore, unless we conduct elections for the representative organizations with amicable solution of the Maoist problems, or restore the House of Representatives and revive the local bodies, the strengthening of democratic institutions in Nepal seems a distant dream.

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The Role of Civil Service Training in Strengthening Democratic Institutions in Pakistan¹

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I. Introduction

Strengthening democratic institutions should be the foremost priority of the “democracy deficit” countries. While even the developed countries require a constant rejuvenation of their democratic institutions, the developing countries are certainly in much greater need of creating an enabling environment for a sustainable democratic system.

For over 5 decades, Pakistan has been struggling to become a modern, democratic nation state. Unfortunately, these efforts have not borne fruit to the extent that Pakistani rulers would like the world to believe: objectively stated, Pakistani democracy remains of very poor quality. While it is never easy to fully encompass or empirically measure complex social phenomena like the state of democracy of a country, the best and most objective commentary in this respect comes somewhat indirectly through the *Freedom in the World* survey (2004) that provides the definitive year-by-year objective evaluation of the state of global freedom (Freedomhouse 2004).⁴ Here Pakistan scores rather poorly, in keeping with the way it has often been seen by independent commentators both within and outside the country. With scores of 6 and 5 for political rights and civil liberties respectively,⁵ the country is rated as “not free,” removing any illusions that elected members of the country’s various formal governance structures may have about themselves and questioning the wide-

¹ Disclaimer: All views expressed in this paper are those of the authors and not of their organization, NIPA.

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⁴ For details see www.freedomhouse.org: As the website describes its pioneering and unique work, “The survey, which includes both analytical reports and numerical ratings of countries and select territories, measures freedom by assessing two broad categories: political rights and civil liberties. Political rights enable people to participate freely in the political process. This includes the right to vote and compete for public office and to elect representatives who have a decisive vote on public policies. Civil liberties include the freedom to develop opinions, institutions, and personal autonomy without interference from the state.”

⁵ The ratings are on a scale of 1 to 7. A rating of 1 indicates the highest degree of freedom and 7 the least amount of freedom.

ranging acceptability that country currently enjoys with the major democracies of the world.⁶

While many elements—among others, historical, sociocultural, and geostrategic—have certainly contributed to the absence of a viable democratic polity in Pakistan, any such list must include one that is often ignored: the role of bureaucracy.⁷

In the case of Pakistan and many other developing countries, the prosperity of the bureaucracy has, more often than not, come about at the expense of democracy. Indeed, one very often hears Pakistani politicians—and bureaucrats too—saying that it is the bureaucratic institution that provides predictability and permanence in a typical unstable transitional society. In a country with a long history of strong and overt military presence, continuity and stability—often couched in the phrase “preservation of the geographic and ideological frontiers of the country”—remain the sacred cows.

Like many other postcolonial polities, especially those ruled by the United Kingdom with its “mother of parliaments,” Pakistan emerged with fairly well-developed democratic institutions in the shape of legislative bodies, several tiers of common law courts, and a secular bureaucracy crafted on the lines of Whitehall. Unfortunately, the areas now constituting the country also had strongly entrenched feudalism and tribalism, which, acting together with religious ideals⁸ came to dominate the independence movement in providing a counterweight to the widely proclaimed democratic orientation of its founding fathers. Given the classic status quo orientation of all bureaucracies, especially

⁶ Thanks to its support for the US campaign in Afghanistan, the US now considers Pakistan a major non-NATO ally. Perhaps taking its cue from the official US-UK position, the (British) Commonwealth accepted Pakistan's democratic credentials by acknowledging the fact that it was the Parliament that had passed the bill enabling the current President of Pakistan to retain his military position as Chief of the Army Staff that had overthrown the democratically elected government in 1999. Indeed, the US and the West have rarely had any qualms about the democratic status of any ally that is serving their strategic interests.

⁷ This paper will be using terms like “bureaucracy” and “civil service” (as well as bureaucrats and civil servants) interchangeably. However, it is to be noted that in the Pakistani context these terms can have meanings far removed from their academic usage. In a highly stratified and status-conscious social setting, Pakistani civil employees are placed in 22 “grades” or pay scales. While all of them (estimated to be above 3 million) are government servants, the term “civil servants” is generally used only for “officers” (employees in grades 17 to 22 of the 1–22 structure); the total number of such “officers” is not more than 1% of the total, i.e., less than 30,000. The term “bureaucrat” is one with even greater sociocultural baggage and is almost always used in a negative manner. Members of the rank and file (grades 1–16) are generally termed as “ministerial staff” or “officials.” This paper uses the term “Civil Service” for the body of officers selected by the federal or four provincial public service commissions through various examination and selection mechanisms and trained in the civil service training institutions (CSTIs). Many large groups of officers (for instance, medical practitioners or educators) who otherwise may be equal in rank to the “civil servants” (i.e., in grades 17 and above) do not receive regular or mandatory pre- or in-service training.

⁸ Pakistan came about as a result of the separatist struggle of the Muslims of South Asia to gain a homeland for themselves, as they feared being culturally and religiously overwhelmed by a numerically much stronger Hindu presence that was increasingly vocal—and occasionally even militant—in expressing its distinct “Indian” [and Hindu] ethos.

public bureaucracies, as well as the conventional obligation of “loyalty” to the Government in power, the Pakistani bureaucracy has supported the persons in power, who almost always have either been military dictators (which it has traditionally viewed as natural allies) or quasi-democrats. Thus the bureaucracy has actually acted to destabilize and undermine democratic institutions (Akif 1999).

At this point, the question arises as to how the future of Pakistani democracy can be different from its past, given the fact that many countervailing forces—political, economic and social, external and internal, new and old—need to be addressed. This paper aims to study whether, and how, civil service training institutions (CSTIs) can influence the development and strengthening of democratic institutions in Pakistan.

II. Review of Literature

Quite obviously no easy answer emerges to this research question. Yet a good place to start may be to ascertain the place of bureaucracy as one of the partners in the democratic enterprise. With all modern state apparatuses having grown in size and complexity in recent years, we need to redefine the mutual relationship between elected and appointed officials; in this respect Turner (1997) explains that

the modern state has developed a cadre of administrative officials who are given the task of supporting ministers, coordinating programs across departments, clarifying policy and managing relationships between their politicians, other non-governmental administrative bodies, regional and local government, commercial organizations and the public. The modern bureaucracy provides continuity and performance, which often override the concerns of the less permanently elected politicians.

Therefore bureaucratic influence comes from inside the administrative and governmental process, where civil servants bargain over complex issues of public policy. No official or politician is ever in a know-all and decide-all position. Bureaucratic structures are by their very nature fragmented between different departments, sections of departments, tiers of authority, and levels of territorial responsibility. However, it is this fragmented presence and immense outreach of the bureaucracy that make its members the most influential partners in the political enterprise, albeit in ways that are more often informal than official and formal. Thus it is not surprising to find the bureaucrats at the receiving end of so much criticism from politicians, media, and citizens alike.

Among a host of other issues for which bureaucrats are criticized in the modern state is their attachment to continuity, status quo, precedents, and procedures. They are said to represent a narrow band of society that is inaccessible and unaccountable for its actions and decision making; too conservative and reactive, preserving itself and defending its own, often espousing petty and mean objectives that may or may not be in consonance with the objectives of the elected Government of the day. The excessive concern with maintenance of its own bureaucratic elitism (Meier 1997) has led to a generally held negative perception that in turn raises a fundamental question as to what factors are responsible for the present behavior of civil servants in the modern state, and also what their role is therein.

Only clarity of thought about the role expectations of civil servants combined with the expectations of the role and function of CSTIs will lead to a better understanding of the theme of this paper. An important key to such understanding can be the question, “What do civil servants typically do and what sets of actions do we expect of them in a democracy?” This question is partially answered by an apt summary of the traditional view about the role of civil servants vis-à-vis other players in a democracy by Turner (1997): “Civil servants advise, ministers decide, parliament approves, civil servants execute.” However, this author has done remarkable academic service by fully encompassing the various roles of the official in the modern bureaucracy (functional/service, political, and bureaucratic), their relationship in a political system, and implications of these roles and relationships (Table 1).

Table 1: Modern Bureaucracy and the Role of the Official

	Main Role	Relationship in political systems	Organizational culture	Implications
Functional/ service role	Policy objectives; policy options; ministerial support	Manage legislature and politicians; manage media	Professional independence; generalist; elitist	Difficult to reform; nonspecialist; notion of neutrality
Political role	Power bloc to politicians and ministers; promotion of bureaucratic interests; Info networks	Manipulation of policy agenda; conservatism; support for the status quo	Cohesive social group; education; recruitment; socialization.	powerful interest lobby; permanent agenda- setting
Bureaucratic role	Monopoly control over policy; budget and control	Political support; notion of objectivity	Rules; procedures; secrecy	Oversupply; defensiveness; duplication

Source: Turner 1997: 317.

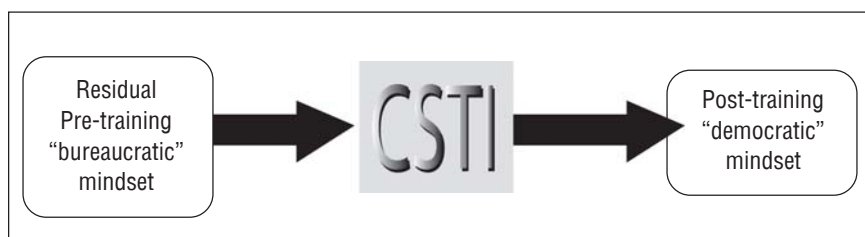
III. Role of Management Training

The theme of this paper is fundamentally linked with the role of any and every program of management and executive training as being not just an engagement for the provision of knowledge and development of skills but essentially a process for modifying behavior patterns. According to Raymond Katzell (1959), modification of thought and behavior is the ultimate objective of all executive development programs.

A very basic cause-and-effect relationship approach was considered as a starting point for exploring the role of CSTIs in strengthening democratic values and institutions. Assuming that every civil servant—and for that matter any trainee—has a pre-training state of mind, a worldview toward any given subject, and also a behavior pattern to match, it remains for the change agent—the CSTI—to modify the worldview and attendant behavior in the requisite direction, which in this case is—to put it in one short term—pro-democratic (Figure 1).

Further elaboration of this model has been developed in Appendix 1, which details the course contents and methodologies. Also presented in this chart are possible outcomes of the training process incorporating these contents and methodologies.

Figure 1. The Role of the CSTI



CSTI = civil service training institution.

Source: Authors' research.

Deliberating on the role of CSTIs in bringing about some behavior modification and mindset change, one is confronted with an even more basic question: “*Can democracy be taught?*” This is precisely the topic of Steven Finkel’s recent article (2001). He states that while considerable resources have gone toward civic education over several decades, no corresponding effort has taken place to assess the effectiveness of such programs in promoting democratic orientations. His field work aimed at evaluating the impact of adult civic education programs over a period of 5 years and sought to

- assess whether and to what extent civic education affects democratic attitudes and behaviors;
- contribute to a better understanding of democratization, civil society, and political culture; and
- enable policy makers to streamline the implementation of future civic education.

Interesting as Dr. Finkel's results are,⁹ these relate to civic education and not professional training. Although no empirical studies of impacts of civil service training on behavior modification were found in the literature reviewed, Dr. Finkel's study, combined with most trainers' self-assumed high levels of achievement in molding the personalities of their trainees, lead us to believe that CSTIs can play a vital role in improving democratic orientations, especially in the "*not free*" developing countries.

However, while considering the quality of democratic orientation and state of freedom of a given country and society—as being partial determinants of the residual mindset of bureaucratic participants—it is essential to gain an insight into the pre-training quality of individual bureaucrats that exists prior to the reform effort. Superb quantitative work has been done by Knack and Keefer (1995) and Mauro (1995) in providing an international empirical basis for placing a score not only upon levels of corruption (which are now subject to extensive quantification) but also phenomena that are apparently difficult to grasp in numeric terms like red-tapism, bureaucratic quality, and bureaucratic delay, which run contrary to democratic values and citizen expectations (Tables 2 and 3). Such measurements can also provide the objective basis for measuring efficacy of training aimed at inculcating democratic values in members of civil services.

A. Methodology

This paper used three different analyses: i) content analysis of the curricula of the various CSTIs in Pakistan, ii) a questionnaire-based survey, and iii) views of trainers at the CSTIs.

⁹ Civic education can influence democratic political orientations in many ways: it can increase civic competence, including political knowledge; and strengthen democratic values, by increasing political tolerance—defined as citizens' willingness to extend freedoms of association, participation, and speech to unpopular groups, institutional trust, and support for democracy over all rival systems.

Table 2. Governance Indicators

Country	Corruption	Bureaucratic Quality	Red Tape	Bureaucratic Delay
Pakistan	1.67	2.56	4.00	1.16
India	2.83	3.72	4.11	1.14
Sri Lanka	3.00	3.00	6.00	—
Malaysia	4.67	3.83	6.00	1.98
Philippines	1.22	1.33	4.00	1.79
Thailand	3.17	4.06	3.11	1.63

Bureaucratic delay = speed and efficiency of civil servants; Bureaucratic quality = autonomy from political pressure; Corruption = extent of corruption in government officials; Red tape = the degree to which business is free from government unnecessary interventions and delays; — = data not available.

Source: Knack and Keefer 1995.

Table 3. Definitions of Bureaucratic Quality Criteria
(interpretations of values in Table 1)

Variable	Definition
Corruption Source: ICRG Scored 0–6 Complete coverage of countries over 1982–1990	Low scores indicate “high government officials are likely to demand special payments” and “illegal payments are generally expected throughout lower levels of government” in the form of “bribes connected with import and export licenses, exchange controls, tax assessment, police protection, or loans” (Keefer and Knack 1995).
Bureaucratic Quality Source: ICRG Scored 0–6 Complete coverage of countries over 1982–1990	High scores indicate “autonomy from political pressure” and “strength and expertise to govern without drastic changes in policy or interruptions in government services”; also existence of an “established mechanism for recruiting and training” (Keefer and Knack 1995).
Bureaucratic Delay Source: BERI Scored 1–4 1972–1990 only certain years in this period for a few countries	High scores indicate greater “speed and efficiency of the civil service including processing customs clearances, foreign exchange remittances and similar applications” (Keefer and Knack 1995).
Red Tape Source: BI Scored 0–10 1981–1989 only certain years in this period for a few countries Missing Costa Rica, Guatemala, Syria, and Tunisia	Measures “the regulatory environment foreign firms must face when seeking approvals and permits; the degree to which government represents an obstacle to business” (Mauro 1995); lower scores indicate greater levels of regulation and/or government obstruction.
ICRG = International Currency Risk Guide (http://www.icrgonline.com/); BERI = Business Environment Risk Intelligence (http://www.beri.com/); BI = Business International (http://www.businessinternational.it/). Sources: Knack and Keefer 1995, Mauro 1995.	

B. Content Analysis

While an institution can be held accountable for all that it documents in its own publications, as trainers we felt that the course curricula were only broad statements of purpose of the training managers at the CSTIs. Few if any trainers desire to have any control—even if it were possible—over discussion in class. Most adult learning flows not from the instruction but from the discussion and peer-learning model. From the experience of the writers, such a content analysis can only be a general indicator about the topic(s) that the course planner(s) desire to be covered and discussed in a given class period. It is not just highly probable but virtually certain that once the discussion gets going in class, all manner of themes related to a particular broad subject are discussed.

C. Questionnaire

The data were collected through a questionnaire survey that consisted of several groups of questions (Appendix 2). Beside the demographic data questions (gender, years of service, and training completed), other questions aimed at measuring democratic orientation, general perceptions of democracy and governance in the country, policy formulation and execution process, and issues relevant to training and its efficacy in being able to inculcate democratic values.

To measure the attitudes of the participants, a Likert-type numerical and rating scale (both forced-choice and nonforced-choice) was used. In keeping with the above discussion with respect to strengthening democratic institutions, we tried to measure the most important components of democratic orientation.

1. Basic Conceptions about Democracy

In this procedure, the subjects were given 14 attributes of democracy (along with space for writing any other attributes they considered important) and were asked to mark the “absolutely essential attributes of democracy.” The 14 available options covered a wide array, from the nature of laws and government to dilemmas connected with priorities of rights, civil liberties, media, etc. Subjects had the opportunity to express their understanding of the basic components of a democratic political system. Another question (#14) asked for identification of democratic institutions, so as to serve not only as a crosscheck to #1 but also to assess their knowledge of democratic institutions.

2. General Perceptions about the Status of Democracy

A Likert-type attitude scale, numerical scales, and rankings were used to evaluate the attitudes of the respondents. Seven questions were asked about the problems being faced by Pakistan, the quality of its democracy, the situation of civil liberties, the presence and impact of local government on democracy, changes in the democratic institutions, and finally, most importantly, a question was asked to assess the awareness of the respondents about democratic institutions.

3. Democratic Inclination

A Likert-type five-category attitude scale was used to measure the democratic inclination of Pakistani politicians, civil servants and citizens at large.

4. Policy Formulation and Implementation

To understand the policy formulation and execution process and to identify the main actors in the policy process, participants were asked four questions (#3, #4, #11, and #12; see Appendix 2). Two questions asked for ranking the given choices, with an opportunity to add a personal choice. Question #3 was a “yes/no” item, while the responses to Question #12 were measured on the Likert scale.

5. Training and Training Impact

Two questions were asked to assess the importance and effectiveness of training courses. Further, three questions were asked about the objectives and content of the course, so as to assess whether these objectives and content aimed at sensitizing civil servants to democratic values. A separate question was asked with regard to training content that may possibly be built into a course for strengthening democratic values and institutions. For the measurement of attitudes, a Likert-type category scale and yes/no questions were used.

6. Sample

During the pre-survey stage that, *inter alia*, involved finding the required sample, we encountered numerous and sometimes quite unexpected difficulties in our contacts with training institutions and the relevant government authorities. Furthermore, time constraints and financial considerations also precluded achievement of a truly representative and randomly generated sample.

Given the sensitivity of the issue in present-day Pakistan, many respondents were extremely suspicious about a research project dealing with democracy. Some thought that it was more of a political provocation [in order to generate views that could be used in their overall course evaluation] or at best just a futile exercise, rather than a scientific research project. Some even expressed apprehension about possible professional consequences on account of “unfavorable responses.” Keeping these problems in mind is important, as these resulted in the sample of both trainees and trainers being much smaller and less representative than originally envisaged.

IV. Results and Interpretations

A. Content Analysis

In order to evaluate the role of CSTIs in strengthening democratic institutions, we conducted a content analysis of the course syllabi of the three training institutions under study. The main idea behind this exercise was to evaluate, as objectively as possible, the presence of topics related to democratic values in the curricula of these institutions.

Issues related to democracy and democratic values—especially against the backdrop of the particularly delicate civil-military relations in Pakistan—are often just not discussed in classes designated for such themes, but often find their way, in one way or the other, into a variety of other lectures, from the administration of justice to economic development. Of course, the inability of researchers to be actually present in training sessions in these CSTIs over a substantial period of time hardly allows a scientific incorporation of such actual coverage of democracy issues in this analysis.

The institutions selected for content analysis can be divided into two broad categories, the first comprising only the main pre-service training institute, the Civil Service Academy, while the latter category, namely that of in-service training institutions, includes two main institutions, the National Institute of Public Administration (NIPA) and the Pakistan Administrative Staff College (PAAC). A majority of Pakistani “civil service officers” are trained in these institutions. A brief introduction of the institutes and content analysis of their course syllabus follows below.

B. Civil Services Academy

Established in 1948 for the training of new incumbents of the Pakistan Administrative Services, it was initially named the Pakistan Administrative Academy. However, after the adoption of the Civil Services of Pakistan statute,¹⁰ the academy was renamed the Civil Services Academy (CSA). At present, the Academy conducts the 7-month Common Training Programme (CTP) for fresh entrants to all the 11 occupational groups of the Central Superior Services (CSS).¹¹ Subsequently, specialized training is provided to members of the various occupational groups in their own training institutions, which are located in various cities of the country with the exception of the District Management Group, whose training offices remain in the CSA.

For the purpose of this study, the contents of the Course Handbooks for the 30th and 31st CTPs were analyzed. These handbooks start with five messages to the participants, each on a different page of the handbook starting right after the frontispiece, one each from God, the Holy Prophet of Islam, the Founder of Pakistan, the Director General of the Academy, and the management team. While the compilers of these handbooks were in all probability more focused on maintaining the official formality of starting government handbooks and documents in a stereotypical manner and perhaps not so much on the true meaning of the messages, the fact remains that these messages all relate to the theme of this paper:

- (i) Verse of the Qur'an: "If you judge, judge (between them) in equity; Allah loves the equitable."
- (ii) Saying of the Holy Prophet Muhammad: "Beware, all of you are custodians and all of you are accountable for your responsibilities."
- (iii) Message of Muhammad Ali Jinnah, Founder of Pakistan: "You should try to create an atmosphere and work in such a spirit that everyone gets a fair deal, and justice is done to everybody."

¹⁰ Contrary to any impression that the unfamiliar reader may have, the Civil Service of Pakistan was an elitist top service whose entry cohort in any given year was close to 20. Its elitism can be gauged from the fact that of the 9,385 candidates who appeared for entry to this group between 1950 and 1962, only 240, or 0.3%, were selected. Under the Administrative Reforms of 1973, the District Management Group became its legal successor; this now has a total strength of around 700 individuals and also has an annual average strength of 20 new recruits every year.

¹¹ Accounts Group, Commerce and Trade Group, Customs and Excise Group, District Management Group, Foreign Service of Pakistan, Income Tax Group, Information Group, Military Lands and Cantonment Group, Office Management Group, Police Service of Pakistan, Postal Group, and Railways (Commercial and Transportation) Group (Gazette of Pakistan 1990).

Indeed, it cannot be said with certainty how many participants to whom the handbooks were addressed actually took actual note of these statements that encompass democratic values of justice, equality, responsibility, accountability, fair dealing and service to all, instead of flipping through the “official formality” that these represent.

Modern organizations are replete with statements of vision and mission that rarely translate into daily reality. Clichés are hardly the material from which the target readers can be expected to extract core values that are often found missing from the “real world” (as opposed to the “world of ideas”). Yet, for the purpose of this analysis, it must be noted that at least the formality of maintaining democratic pretenses is not lost from the *weltanschauung* (world view) of Pakistani civil service trainers. These messages have a strong democratic tone and provide a glimpse into the mind of pre-service trainers showing that they deem it important for young civil service officers to imbibe the democratic values for the greater good of society.

The same soft manner of value-peddling can be sensed from the message of the Director General (DG), in which there is a moderate emphasis on good governance, again delivered in a manner that is designed to be influential yet not intense enough to appear propagandistic. Emphasizing the importance of civil servants’ role, the DG writes,

You have taken upon yourselves the responsibility to serve the people of Pakistan, who have high expectations which have not been satisfactorily met. The challenge you have to face is provision to the people of Pakistan, civil services which are accessible, sympathetic, helpful and fully equipped to discharge the responsibilities assigned to them” (Civil Services Academy, Handbook of 31st CTP: 9).

In an earlier year, a different DG had pointed the way to democratic values by using another phrase that too has become hackneyed by overuse: good governance. He begins his message by stating “You have been selected to serve the people of Pakistan” and goes on to impress upon the probationers to make it their priority to serve the “most vulnerable in society in order to make them masters of their own destiny.”

One of the core values of democracy is empowerment of the most vulnerable. Moreover, even the least sincere of democrats in the more well-established democracies of the West often cover up their faults by donning the garb of the people’s servant. Reading between the lines and adding the missing words, one finds a democratic orientation of successive heads of the Civil Services Academy, at least by way of formal pronouncements. Thus it may be concluded that, at least on an idealistic plane, the CSA’s training philosophy

includes a call to the trainees who are going to be at the helm of bureaucratic affairs in the future to be watchful of their duty to the people.

However, a more detailed analysis of the contents of the course can make or break any formal claims. Here, interestingly enough, one does not find in the objectives of the CTP any definite democratic orientation. This makes our earlier conclusion weak and it can be safely concluded that during the objective setting no conscious effort is made to prepare the participants for a democratic role.¹² In the 11 main modules of the course only two, National Issues of Pakistan and Public Management and Government Functioning in Pakistan, make an effort to democratize the mindset of the participants.

In the first module, *National Issues of Pakistan*, the contents include

- (i) political culture and fragile political system,
- (ii) bureaucracy–military nexus,
- (iii) role of the Army in setting or upsetting the political atmosphere,
- (iv) interest groups and the political process, and
- (v) dormant role of the legislature.

These and other similar “crosscutting issues in governance,” like community development, media, and human rights, are certainly part and parcel of the democratic milieu, yet do not lie at its heart. Out of a total of 50 class sessions (of 55 minutes each), only five (one each) are given to the above noted five topics. Three categories of rights – human, women’s, and children’s—are all supposed to be wrapped up in one session. Similarly, Good Governance and Decentralization, Civil Society and Community Development, and the Role of Media for Consensus Building have also been allocated only one session each.

The same is the case with the *Public Management and Government Functioning in Pakistan* module. Of the 42 class sessions, most deal with issues related to the Pakistani Constitution and rules of business, legislative, fiscal, and judicial administrations. Although the relationship of civil servants and the political representatives does not find clear mention, one of the significant features of the module is a debate on post-2001 devolution. The suggested readings do, however, include significant “pro-democracy” readings like “Democracy and Authoritarianism in South Asia.”

In terms of time duration, only about 50 hours can be said to be scheduled for instruction and discussions on issues related to democracy and democratic institutions, out of nearly 500 class sessions. It must once again be reiterated

¹² The dichotomy in the message and the objectives can be explained by the fact that in most of the messages, catch phrases make currency. However, given the feudalistic society, this is not the objective of the training programs.

that the contents of the modules were analyzed on the basis of their appearance in the course plans. What was actually discussed during the sessions cannot be known to the outside researcher. Nevertheless, if emphasis on issues relevant to democracy is considered to be “democratic institutional strengthening,” it can be concluded that at CSA the better part of the course does aim to inculcate democratic values in the trainees. However, in the absence of any impact evaluation mechanism, it is hard to conclude whether any of the trainees are more democratically inclined after the CTPs.

C. In-service Training Institutes

In the in-service training institutions, training is provided after entry into the service at different levels in the public servants’ careers. The training covers general administration/management training and functional/specialized training, generally short-term courses from a few days to a few months. According to the new directives issued in 2001, all federal government officers or general management cadres (excluding, for instance, professionals like those in medical and teaching assignments) in grades 17–19 are to be imparted training for at least 12 days in a year. This training is being offered not only by the four campuses of the NIPA but additionally by several other Departmental Training Institutes. The NIPA campuses also conduct the mandatory 14-week Advanced Course in Public Sector Management (ACPSM) that is a promotion requirement for all grade 19 officers. The senior officers in grade 20 must undergo the National Management Course at the PASC (or its more strenuous equivalent at the National Defence College) for promotion to the penultimate status in Pakistani bureaucracy beyond which no training is deemed necessary.

1. National Institutes of Public Administration

At present, four NIPA campuses are located in the four provincial headquarters.¹³ All four campuses conduct the 14-week flagship course (the ACPSM). Although the courses at all NIPA campuses can be conducted in a rather independent manner, differences in content and methodology are kept to a minimum on account of a common controlling office, the Training Wing of the Establishment Division, and frequent exchange of documents and visits. For this study, course syllabi at only two of the NIPA campuses, Karachi and Lahore, were selected for analysis.

¹³ For details, please see: <http://establishment.gov.pk>, and <http://www.nipa-khi.edu.pk>.

a. NIPA Lahore

For this study, the contents of the 85th and 86th ACPSM were analyzed. The course handbook of the latter, while enumerating the objectives of the course, does not include a conscious emphasis on the democratization of the bureaucratic mind. However, the contents of the course incorporate issues directly relevant to the shape, functioning, and structure of democratic institutions. Out of the recommended 400 hour-long sessions, about 30 sections in the 86th ACPSM were dedicated to the discussion of political development, human rights, participatory public policy, and the role of the army and bureaucracy in the Government. In the 85th ACPSM course, about 18 sessions covered the same issues. Interestingly, out of these time periods, the focus remained on discussing the effectiveness and implementation process of the new local government plan 2001 (funded largely through an Asian Development Bank loan and driven by a nondemocratic military government on the basis of an external agenda).

b. NIPA Karachi

The campus in Karachi follows a same pattern as NIPA Lahore for its own ACPSM. Our analysis of two courses, 76th and 77th ACPSM, reveals that 34 and 15 sessions, respectively, were spent on discussing issues related to political development, institutional strengthening, democratic dispensation, and other related issues. Our analysis of the brochure of the 77th ACPSM reveals a strong emphasis on “inculcating values and skills necessary for good governance.” However, as is the case for all other training institutions, the objectives of the courses did not underscore the need for preparing civil servants to further a democratic role. Furthermore, in the absence of impact evaluation, it is difficult to measure the impact in the actual conduct of the officers.

c. Pakistan Administrative Staff College

Located at Lahore, this institution runs the National Management Course that is designed as the promotion training for grade 20 officers eligible for being promoted to grade 21. The duration of the course is 18 weeks and it is held twice a year.

The Course Handbook states that “the course focuses on key areas of public policy development, strategic management, financial management, economic management/information technology and governance.”

Even though nothing is specifically mentioned about governance in the overall objectives of the course, and the sole emphasis remains on policy

formulation and implementation skills, the importance of governance is mentioned in a general manner. The brochure reads:

To contemplate, understand and analyze specific concepts of governance. To impart detailed information in order to develop an understanding of governance, defense and international relations by encouraging healthy debate in a interactive environment (Pakistan Administrative Staff College 2004).

The phase includes an examination of basic institutions of democratic governance and political processes and analyzes relevant issues by raising fundamental questions. A wide range of factors influencing governance are considered in detail, including the Constitution and the judiciary, political parties and the Parliament, the military in politics, public service and civil society organizations, religion and the sociocultural environment, as well as culture and psychology of the people of South Asia, especially focused on the growing incidence of poverty and human insecurity in Pakistan.

Our reading of the detailed contents of the course revealed that a time duration of only about 1 week out of the 18-week course was spent on the governance module, both in the 80th and 81st courses. This supported our view that reasonable emphasis was not placed on developing a democratic and participatory civil service.

IV. Questionnaire: Results and Interpretations

A. Results

1. Basic conceptions about democracy

Democracy is a manifold concept having numerous meanings at different levels. Therefore, we first tried to find out what participants meant by democracy. All the respondents were asked to select essential attributes of democracy from a given list of 14 essential attributes. The result is as follows (Table 4):

A category-wise ordering of the answers showed that approximately 75% of respondents defined democracy in legal terms: free and fair elections; accountability of political representatives, civil servants, and the army; and a free, fair, and accessible judicial system. As for the remaining 10 attributes (Appendix, Question #1) less than 40% considered these to be essential to a democratic dispensation. Thus on the basis of results it can be concluded that

most of the Pakistani civil servants responding to this questionnaire were unable to fully understand the concept of democracy and its associated institutions. This result, though not altogether unexpected, does show, on the one hand, the need for paying serious attention to this phenomenon and on the other, that CSTIs had so far been unable to sensitize trainee civil servants to the concepts and necessary institutions of democracy.

Table 4. Participants' Basic Conceptions About Democracy
(percent)

S. No.	Attribute	Percentage of respondents checking the option as being an "absolutely essential" attribute of democracy
1.	Free and fair elections	86.79
2.	Equality of opportunity for all social groups to public office	47.17
3.	Free access to government information (access to the public record)	33.96
4.	Accountability of political representatives, civil servants, and the army	56.60
5.	Free, fair, and accessible judicial system	75.47
6.	Freedom of expression and conscience (religious freedoms)	37.74
7.	Freedom of association (forming unions, parties) and assembly	33.96
8.	Independent print and electronic media	43.40
9.	Effective civilian control over the armed forces and freedom of political life from military	43.40
10.	Powers of the legislature to scrutinize the executive and hold it to account	37.74
11.	Freedom of opposition or nongoverning parties to organize within the legislature, and effectively contribute to government accountability	32.08
12.	Supremacy of representative political government over other organs of the state (civil service, army) constitutionally and in actual practice	41.51
13.	Cooperation of government with relevant civil society partners and communities in the formation and implementation of policy and in service provision	30.19
14.	All of the above	24.53

Source: Authors' research.

To further our understanding of the issue and to assess the knowledge base and orientation of civil servants, a cross-question was posed about democratic institutions. In this cross-check item, participants were asked to mark institutions that they considered a “democratic institution” from the given list of democratic institutions, (Appendix, Question #14).

The responses to this question were quite eye-opening. Only 78% believed that the parliament is a democratic institution; 50% considered political parties to be democratic institutions; and only 22% percent thought that the judiciary was a democratic institution. Even more astonishingly, only 7.5% responded that accountability agencies were democratic institutions. The three categories of media, educational institutions, and NGOs and civil society organizations received confirmation of being democratic institutions from 34%, 24%, and 20% respondents, respectively.

In spite of being obtained from a small sample, these results allow us to conclude that civil servants have not been introduced to democracy at a conceptual level as a political philosophy, and that they have a limited knowledge of democratic institutions and the institutions that support the strengthening of democratic institutions. In a democracy-deficit society, this trend is alarming and certainly indicative of the fact that training institutions have been unable to make civil servants knowledgeable about the very basic concepts of democracy, let alone to sensitize them to subtler values.

2. General Perceptions about the Status of Democracy:

To obtain a general assessment of status of democracy in the country, six questions (Questions #2, #8, #9, #10, #13, and #15) were included in the questionnaire. The results of these questions were also quite interesting and contributed significantly to the overall conclusion.

In response to Question #2 that asked respondents to rank the problems that Pakistan was currently facing, only 31 of the 53 participants responded to this question properly. Among the responses available, only 19% (six participants) ranked “authoritarian governance” as the #1 problem, while a large number of respondents ranked “population growth” as the most important problem. Since the sample was rather limited, an interpretation of the results would not be valid.

Questions #8 and #9 asked respondents to rank the quality of democracy and civil liberties in the country on a numerical scale of 1 to 7, in which 7 represented the highest quality. This scale was used in order to provide a subsequent comparison with the Freedom House data that were also similarly assembled. In the case of the “quality of democracy” item, the average score of 2.81 was considerably lower than the mean (4). This situation could also—

rather easily—be interpreted to represent the fact that the country's democratic institutions were still in their initial stages. In the case of civil liberties, the score was 3.30. However, due to an oversight, the ranking order was reversed as compared to the Freedom House data in which the higher scores were on the negative side (i.e., 1 was the best and 7 the worst).

In response to Questions #10 and #13 dealing with the importance and effectiveness of local government, the responses were as follows (Table 5):

Table 5. Importance of Local Government
(percent)

Question #10 text	Very Essential	Essential	Neither essential nor unessential	Not Essential	Not at all Essential
To what degree is local government essential for national democracy?	47.17	45.28	5.66	0.00	1.89

Source: Authors' research.

This result is important for two reasons: first, all the participants replied to it and secondly, the result was overwhelmingly on the positive (essential side) as evident from the boldface numbers in the table. This appeared contrary to the common belief that civil servants are against the local government plan launched in 2001 (since many of the powers that they enjoyed virtually unchecked in the past were devolved to elected officials) and therefore shows that civil servants understand the importance of local governments—and from this logic, they value democratic institutions. Another question (#13) was about the accountability of civil servants in the new local government system. To our surprise, 47% replied that the 2001 local government plan had made civil servants more accountable, while 28% did not believe this to be the case and 24% were uncertain about it. This leads to a perception that the respondents had an inclination toward a democratic system.

In Question #15, respondents were asked to identify any change (strengthening or weakening) in the democratic institutions of Pakistan. The result was as follows (Table 6):

Table 6. Strengthening/Weakening of Democratic Institutions
(percent)

Question #15 text	Extremely strong	Strong	No change	Weaker	Much weaker
How have Pakistani democratic institutions (as defined by you in Q. 14) changed over the past 55 years i.e., they have been:	0.00	16.98	20.75	35.85	24.53

Source: Authors' research.

One can easily see that the dominant response (about 60%) was toward the weaker side; however, 21% believed that no change had occurred in the institutions and 17% were of the opinion that the change was toward betterment.

Thus, it can perhaps be concluded that while over all a weakening had taken place in the democratic institutions of the country over time, the new local government plan was a step toward betterment, on account of which this result emerged. All things considered, the quality and status of democratic institutions and civil liberties in the country was not promising.

3. Policy Formulation and Implementation

In response to the question (#3) whether Pakistan had a single “ruling/administrative decision-making group,” 66% believed this to be true, while 24% percent acknowledged no such group and 10% percent replied, “do not know/uncertain.” Our further exploration to identify the decision-making elite provided an interesting finding: of the 53 participants, 12 did not respond, possibly fearing problems due to their participation, or did not understand the importance of the study. Of those who replied, 46% ranked the armed forces first, followed by the bureaucracy (32%) and political representatives (21%). Even though the sample was quite small and within the sample the response was only 74%, we can easily say that bureaucrats view the policy process as completely dominated by the armed forces and the bureaucracy. This view is in consonance with the commonly prevailing view among the masses that the army-bureaucracy nexus controls the whole country.

To further our understanding and as a cross-check, a separate question (Question #11) was asked. As the response indicates, 46% believe that the bureaucracy, the military, and politicians formulate policy jointly. However the second highest response is for the military acting alone (27%), while the

third highest was for the bureaucracy acting alone (19%). Since the purpose of the question was to identify who actually formulated policy, we can interpret that the military and bureaucracy are felt to play a dominant role. In order to assess the role of civil servants, a direct question was asked. The result of this is as follows (Table 7):

Table 7. Major Role of Pakistani Bureaucrats in Policy Formulation
(percent)

Question #12 text	Completely agree	Partially agree	Uncertain	Partially disagree	Completely disagree	Don't know
Do Pakistani civil servants have a major role in policy formulation?	16.98	52.83	7.55	13.21	7.55	1.89

Source: Authors' research.

The results show a clear “partially agree” response, which when combined with the “completely agree” option gives a figure of almost 70% of civil servants giving some role to their own compatriots in the policy process. While we did not attempt to go beyond this in exploring the army's role in policy formulation, which from the earlier item (#11) obviously affects democratic institutions and their functioning, the results were clear insofar as the joint role of the army and the bureaucracy in the policy process is concerned.

4. Democratic Inclination

To assess the democratic inclination of Pakistani politicians, civil servants, and citizens at large, the participants were asked to rank the democratic inclinations of these groups. The responses are shown in Table 8.

Interestingly, the results depicted no clear indication. However, adding the responses in the undemocratic option columns we see that 41% of respondents believed that Pakistani politicians were undemocratic, while only 20% considered them to be democratic. While it is difficult to interpret the 34% who were uncertain, it must be noted that while the “do not know” category was available, not a single respondent selected it.

With regard to the democratic inclination of civil servants, the result was mixed, but we can still interpret that most of the respondents were of the opinion that civil servants were not democratic (42%); 32% of respondents were uncertain.

Most surprisingly, when asked about the democratic inclination of Pakistani citizens, 56% of respondents considered them to be “fairly” or “highly” democratic. The greater difference in the democratic-ness of the public at large and the two other groups is indicative of the fact that it was perhaps the working environment, the colonial legacy, or some other factor that was crucial in determining the nondemocratic-ness of politicians and civil servants. However, a clear and qualified explanation of this answer needs a separate study to explore the reasons for this differential.

Table 8. Democratic Inclinations of Pakistani Groups
(percent)

Question texts	++	+	?	—	—
#5 Generally speaking, how democratically inclined are Pakistani politicians?	2%	18.87%	33.96%	28.30%	13.21%
#6 Generally speaking, how democratically inclined are Pakistani civil servants?	2%	24.53%	32.08%	26.42%	15.09%
#7 Generally speaking, how democratically inclined are Pakistani citizens at large?	7.55%	49.06%	24.53%	16.98%	3.77%

++ = completely democratic; + = fairly democratic; ? = neither democratic nor undemocratic; — = fairly undemocratic; — = completely undemocratic.

Source: Authors’ research.

B. Training and Training Impact

To gauge the importance of training and its overall effectiveness, two questions were asked. In response to the first question—“how important is professional training?”—83% of respondents replied “very important,” while 15% responded “important.” This can be interpreted as proof that the respondents were completely conversant with the importance of training, even if one were to discount the bias that may have crept in because a majority of respondents were undergoing training processes in which they may have wished to please the researchers. The same bias should also be kept in mind with regard to the response to Question #17, which sought to inquire about the effectiveness of training at Pakistani CSTIs (Table 9):

Table 9. Effectiveness of Professional Training
(percent)

Question #17 text	Very effective	Effective	Neither effective nor ineffective	Ineffective	Very ineffective
Is the training given at Pakistani civil service training institutions effective?	15.09	49.06	16.98	15.09	3.77

Source: Authors' research.

The result shows that participants agree that civil service training is effective. As noted above, from our own experience and on the basis of available literature on the performance of CSTIs, this is not a dependable result, on account of semantic problems (in being able to appropriately define the term “effective”). Moreover, in the absence of evaluation of the training programs—especially by third parties—it is difficult to judge the effectiveness of training. Of course, the fact that the respondents were contacted at training institutions may also have created a pro-training bias; thus, one must interpret the result carefully.

As the main purpose of our research was to assess the democratic content and sensitization, three questions aimed at measuring this area (Table 10).

Table 10. Democratic Values in CSTI Training
(percent)

Question text	Yes	No	Uncertain	No objective specified
Q. #18. Was there any mention of democratic values in the objectives of the course where such could have been added?	26.42	33.96	22.64	15.09
Q. #19 Has there been any content in the training courses that you have attended over the past five years, that you may consider as being “pro-democracy”?	26.42	49.06	24.53	Not applicable

CSTI = civil service training institute.

Source: Authors' research.

The result of question 18 shows that only 26% of respondents replied that democratic values were mentioned in the objectives of the course, while 34% emphatically replied that no such mention was made. When the “no” and “no objective specified” categories are added, the result (49%) clearly indicates that democratic values were not consciously targeted in the objectives or that the objectives were not specified. If the “uncertain” category is also interpreted, even if democratic values were included in the objectives and participants nevertheless remained so uncertain, one can easily conclude that democratic values were not very much a part of the objectives—otherwise participants ought to have remembered them.

With regard to training courses containing “pro-democracy” contents, nearly 50% of respondents said “no.” However, such a conclusion seems misleading upon seeing the result of Question #20 because, in spite of a strong “no” showing, 42 respondents answered the conditional link (Table 11). This may be interpreted to mean that either respondents did not properly understand the question or failed to grasp the linkage. Thus it is proposed to ignore the results of this section and to propose a re-run of the area in a future attempt.

Table 11. Pro-Democracy Elements in CSTI Training
(percent)

Q. #20 If yes to the above, what specific part of the training courses would you say has been pro-democracy?	%
(a) Lecture contents by eminent speakers—bureaucrats, judges, media persons	21.43
(b) Question-answer sessions and discussion following the lectures	30.95
(c) Book reviews (i.e., books dealing with the political system, Pakistani politics)	19.05
(d) Case studies and research papers	16.67

Source: Authors’ research.

In response to the question, “Can civil service training inculcate democratic values among its recipients?”, 58% of participants replied in the affirmative, while 26% responded in the negative; 16% were uncertain about this aspect of training. The heavy “yes” not only substantiates our results and interpretation for Question #17 (effectiveness of training at Pakistani CSTIs) but also underscores our theoretical conclusion that training institutions can play a prominent role in strengthening democratic institutions.

Question #22 was asked to obtain information about course contents the inclusion of which may sensitize the civil servants to democratic values and culminate in the strengthening of democratic institutions. Over 30% of participants agreed that the inclusion of the contents mentioned in Question #22 in training courses would improve civil servants’ understanding of

democracy and democratic values. On the basis of the result of Question #22, it is proposed that all courses for civil servants should consider including these agenda items. A conscious effort must be made to build into the course contents a substantive discussion component on the role of civil servants in strengthening democratic institutions.

V. Conclusion

Our analysis of the pre-service and in-service CSTI curricula and course schedules has led us to conclude that while all the training institutions declared that they had a strong motivation for changing the trainee civil servants' mindsets and internalizing democratic values, content was not sufficient for motivating civil servants toward strengthening democratic institutions.

With reference to interpreting the results of the survey questionnaire, it must be kept in mind that no current measure is available for assessing the immediate microlevel pre- and post-course changes in democratic orientation of the course participants. An impact evaluation mechanism needs to be developed, and it is recommended that future studies should fill this void, just as these should include a wider random sampling of Pakistani civil servants with regard to querying their opinions about the democratic content of training and its general level of effectiveness in Pakistani CSTIs.

In addition, it must be remembered that the primary contribution of training is to improve personal abilities. Not much can be done to ensure a definite change in an individual's actual conduct in a work and social setting that largely depends on culture, social norms, the national political situation, and perhaps, most importantly, on actions that are rewarded. Thus, while any course of professional training will influence performance through the capability enhancement factor and play a role in determining the overall level of an individual's conduct, in both these aspects, its success will only be partial. No fireworks are possible.

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Appendix 1

Proposed Training Model for Strengthening Democratic Values and Institutions

TRAINING INPUTS

Training Course Contents

- ☐ Democratic values
- ☐ Participatory decision making
- ☐ Good governance
- ☐ Ethical conduct
- ☐ Inter-sectoral Coordination and cooperation
- ☐ Bureaucratic elitism vs service delivery
- ☐ Status quo and market economy
- ☐ Impact of broadening of power and decision making base on citizen satisfaction and service delivery
- ☐ Judicial review of the exercise of Administrative Discretion
- ☐ Privatization and Regulatory control
- ☐ Interface between Administrative Law & Human Rights Law
- ☐ Role of administration in environmental management
- ☐ Application of Principles of Natural Justice in administrative decision making
- ☐ Consumer Protection Law
- ☐ Public Interest Litigation and performance of administrative functions
- ☐ Transparency in administration and right to information
- ☐ Devolution
- ☐ Administrative power and its uses
- ☐ Analyzing the Role of institutions
 - Bureaucracy
 - Army
 - Legislature
 - Judiciary/ Ombudsmen

Training Methodology

- ☐ Participatory approach
- ☐ Democracy Case studies
- ☐ Role plays

OUTCOMES

Mindset Changes

- ☐ Improved understanding of roles, rights and limitations
- ☐ Sensitization to democratic values
- ☐ Change of emphasis from status quo to service delivery
- ☐ Conversion from reactive to proactive
- ☐ Emphasis on collective benefits the rather than bureaucratic objectives
- ☐ Professionalism

Good Governance

- ☐ Efficient and effective technocratic and bureaucratic institutions
- ☐ High quality and democratic civil service
- ☐ Low policy formulation and implementation costs
- ☐ Broad-based societal empowerment: extending the power base far and wide
- ☐ More and less expensive
- ☐ Fast and Participatory decision making help market economy
- ☐ Decrease in coordination cost and gestation period
- ☐ Better investment environment because of a responsive bureaucracy
- ☐ Effective functioning through better coordination
- ☐ Control of the political representative over the administrative organs
- ☐ Better policy formulation, and execution
- ☐ Bring civil servants closer the political representatives and public
- ☐ Increase the accessibility of civil servants
- ☐ Improves the accountability all the partner of democratic enterprise

Appendix 2

A Questionnaire to Explore Views of Pakistani Civil Servants on the Role of Civil Service Training in Strengthening Democratic Institutions

Thank you for sparing your time to fill in this questionnaire, which will form the basic source material for a research paper to be presented at an international conference. Unless otherwise specified, please check only one response. Please do not spend too much time on any single item. For clarifications or comments, please call Akif on 0300-2209433 or email: syedakif@super.net.pk

1. Which of the following are *absolutely essential* attributes of democracy? Please check as many as are applicable and put ranks on the first three most important

- ☐ Free and fair elections
- ☐ Equality of opportunity for all social groups to public office
- ☐ Free access to government information (access to public record)
- ☐ Accountability of political representatives, civil servants, and army
- ☐ Free, fair and accessible judicial system
- ☐ Freedom of expression and conscience (religious freedoms)
- ☐ Freedom of association (forming unions, parties) and assembly
- ☐ Independent print and electronic media
- ☐ Effective civilian control over the armed forces and freedom of political life from military involvement
- ☐ powers of the legislature to scrutinize the executive and hold it to account
- ☐ freedom of opposition or non-governing parties to organize within the legislature, and effectively contribute to government accountability
- ☐ Supremacy of representative political government over other organs of the state (civil service, army) constitutionally and in actual practice
- ☐ co-operation of government with relevant civil society partners and communities in the formation and implementation of policy and in service provision
- ☐ All of the above
- ☐ Any other, please specify _____

2. How would you rank the following problems being currently faced by Pakistan? (No. 1 being the biggest challenge and No. 2 being the next and so on)

____ Population growth: a high rate draining already insufficient resources
 ____ Poor economy: (High debt; high defence expenditure)
 ____ Authoritarian governance
 ____ Lack of national consensus on basic issues
 ____ Unfavorable strategic climate
 ____ Any other (please suggest your own) _____

3. Does Pakistan have a single “ruling/administrative decision making group”

(a) Yes (b) No (c) Don't Know/uncertain

4. If “yes” to No. 3, i.e., Pakistan has a “ruling/decision making group”, what component parts comprise the “ruling/administrative decision making group (please check as many as applicable, ranking the first three from 1 to 3)

Rank

- ☐ ____ Formal political office holders (e.g. Governors, Ministers, Advisors)
☐ ____ Bureaucracy
☐ ____ Armed forces officers
☐ ____ Members of political parties, and their extensions like labour unions
☐ ____ Top business people and trade bodies like FPCCI, APTMA
☐ ____ Tribal and feudal leaders (other than members of political parties, elected bodies)
☐ ____ Top professionals like lawyers, media-people, educators, NGO persons, clergy
☐ ____ Any other, please specify _____

5. Generally speaking, how democratically inclined are Pakistani politicians?

completely democratic	fairly democratic	neither democratic nor undemocratic	fairly undemocratic	completely undemocratic	don't know
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6. Generally speaking how democratically inclined are Pakistani civil servants?

completely
democratic

fairly
democratic

neither democratic
nor undemocratic

fairly
undemocratic

completely
undemocratic

dont know

7. Generally speaking, how democratically inclined are Pakistani citizens at large?

completely
democratic

fairly
democratic

neither democratic
nor undemocratic

fairly
undemocratic

completely
undemocratic

dont know

8. On a scale of 1 to 7 (with 1 being the lowest and 7 being the highest) how would you rate the quality of Pakistani democracy?

1

2

3

4

5

6

7

9. On a scale of 1 to 7 (with 1 being the lowest and 7 being the highest) how would you state of civil liberties (freedom of expression, religion, association, rule of law, individual rights – free marriage, freedom from gender bias and economic exploitation) in Pakistan?

1

2

3

4

5

6

7

10. To what degree is elected local government essential for national democracy?

very
essential

essential

neither essential
nor unessential

not essential

not at all
essential

11. In Pakistan public policy is formulated at:

- (a) Bureaucratic level
- (b) Political level
- (c) Military level
- (d) Jointly (between a, b, and c above)
- (e) Any other _____

12. “Pakistani civil servants have a major role in policy formulation”?

completely disagree	partially agree	uncertain don't know	partially disagree	completely disagree
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13. Do you think the devolution plan is making civil servants more democratic by making them accountable to the public representatives?

- (a) Yes (b) No (c) Don't know/uncertain

14. Which of the following are democratic institutions?

- ☐ parliament
- ☐ political parties
- ☐ judiciary
- ☐ NAB and other accountability agencies
- ☐ Media
- ☐ Educational institutions
- ☐ NGOs and civil society organizations
- ☐ Any other, please specify _____

15. How have Pakistan democratic institutions (as defined by you above) changed over the past 55 years i.e., i.e. they have become

extremely strong	strong	no change	weak	extremely weak
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16. How important is professional training?

very important	important	neither important nor unimportant	not important	not at all important
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17. Is the training given at Pakistani civil service training institutions effective?

very effective	effective	neither effective nor ineffective	ineffective	very ineffective
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18. Was there any mention of democratic values in the objectives of the courses where such could have been included?
- (a) Yes (b) No (c) Uncertain (d) No objectives specified
19. Has there been any content in the training courses that you have attended over the past five years that you may consider as being “pro-democracy”?
- (a) Yes (b) No (c) Don't Know/uncertain
20. If Yes to the above, what specific part of the training courses content would you say has been “pro-democracy”?
- (a) Lecture contents by eminent speakers – bureaucrats, judges, media persons,
 (b) Question-answer session and discussions following the lectures
 (c) Book reviews (i.e. books dealing with the political system, Pakistani politics)
 (d) Case studies and research papers
 (e) any other _____
21. Can civil service training inculcate democratic values amongst its recipients?
- (a) Yes (b) No (c) Don't Know/uncertain
22. If yes to the above item, please state what training content may be built into the courses to strengthen democratic institutions by way of changing mindsets? Please mark as many as applicable; if required, please use the reverse side of this sheet for more space.
- (a) More extensive and open discussion on civil-army relations
 (b) More extensive and open discussions of the feudal/tribal culture
 (c) More extensive and open discussions on gender bias
 (d) General philosophical discussion on liberal ideas in politics and culture
 (e) Extension lectures/ dinner talks by eminent jurists
 (f) Any other _____

23. What training have you attended over the past 5 years

- (a) Short capacity building courses at NIPA (please specify campus)

- (b) Short capacity building courses at (please specify institution)

- (c) NIPA Advanced Course
- (d) Staff College / NDC
- (e) Any other, please specify_____

24. Any other comments – please use extra sheet(s).

Deliberate Democracy and Electoral Fallacy: The Logic of Coexistence

A Comparative Study of Two Globalizing Cities in India

Amita Singh¹

I. Introduction

The problem of strengthening democratic institutions in a time of transition to globalization has become a problem of sustaining democracy in grassroots institutions. Electoral processes in the third world countries are not strengthening them, as the dominant corporate interests have discovered means of turning them into farce. The governments adopt regulatory changes to democratize institutions by throwing them open to elections, but elections alone do not bring democracy. Democratic ideals have to be reinvestigated in the light of freedom and justice to citizens and not just to the assumed monolith of civil society. “All of a sudden, an electoral system arises in a country so the government can get some aid, credits or most-favored-nation trading status,” writes Terry. “I call this electoralism; that is, having the procedures of democracy without deeper internal roots” (Terry 1986: 9).

The process of growth and development toward urbanization and market expansion has subdued or silenced institutions that magnify people’s voices. In globalizing cities, the radicalism of civil society movements has become blunted, since elected politicians defeat them after they are elected. Thus, *panchayats* (councils) and municipal bodies have become arenas of corporate warfare. A corporate-friendly candidate in the panchayat helps the multinational seize village resources like land, wetlands, and cheap labor. Similarly, a corporate-backed municipal councilor helps in the distribution of land and infrastructure services like electricity, water, and road construction for shopping malls, plush apartments, and casinos without providing housing for the uprooted slum dwellers. Most of the development policies show an inclination for assisting big business companies rather than implementing programs for poverty eradication or information dissemination to their constituencies. In the absence of institutions of accountability and transparency, they become vulnerable to the control of land mafias and private urbanizers.

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The second part of this paper attempts to show how the coexistence of mushrooming activist people's organizations and regulatory changes blunts democracy in local institutions. It becomes imperative to explain at this point that deliberate democracy fails to prevent electoral fallacy in globalizing cities, but it trains citizens to band together to set up smart institutions that combine the functions of citizen as a unit of governance and as a consumer in democratic systems. These organizations are composed of intelligent, aware, and professionally trained people forming the "epistemic community" of local government, which sets the direction and the speed of reform processes. Evidence from the case study of Gurgaon, in Haryana State, which is an example of a globalizing city in the middle of a largely rural and traditionally governed state, helps to substantiate the above hypothesis.

The last part of this paper sets out a model of governance based upon quantum physics. This model elaborates the process in which photons of energy move from people, communities, and their relationship to their ecosystem, in a way that not only accelerates participation and deliberation in local institutions but also reduces the element of public choice and thereby electoral fallacy. But, when an ecosystem is stressed and community spaces shrink, people do not contribute to this social dynamism. Their local deliberative bodies shrink and community spaces are reduced. This situation strengthens market fundamentalism and new institutionalism in policy deliberations in higher legislative bodies.

The last part of this paper sets out a model of governance based upon quantum physics. This model elaborates the process in which photons of energy move from people, communities, and their relationship to their ecosystem, in a way that not only accelerates participation and deliberation in local institutions but also reduces the element of public choice and thereby electoral fallacy. But, when an ecosystem is stressed and community spaces shrink, people do not contribute to this social dynamism. Their local deliberative bodies shrink and community spaces are reduced. This situation strengthens market fundamentalism and new institutionalism in policy deliberations in higher legislative bodies.

II. Methodology

The study is built around three indicators: changes in the regulatory mechanism, land acquisition, and development programs that compensate for the land that they lose to global companies in exchange for other opportunities. These indicators are accepted as fundamental to the assessment of deliberative bodies that help clear people's access to benefits of globalization. Other factors,

such as that of service delivery improvements, which include variables like speed, cost of transactions, and corruption in public offices, are treated as spillovers from the previous indicators. Democratic institutions are taken as dependent variables of global investments, i.e., foreign direct investment (FDI) and foreign institutional investment.

The research methods for this study are largely based upon interactive research in which participation in governance networks and implementation strategies for micro-level policy interventions is the prime source of information. Municipal bodies and several secondary autonomous structures, such as district industrial centers, urban development authorities, and boards, are trying to implement reforms to gain greater marketization of public services and infrastructure expansion. The catalytic push through the introduction of information technology systems in the district is also treated as complementary to the processes that reduce the gap between “private” and “public” spaces of citizens. The primary reliance is upon data about visibly shrinking community spaces and questionnaires put before respondents from the village. The target groups are divided into two groups: landowners and those who are landless but are animal rearers and cattle grazers and thus are land dependent. The second stage is an exploration into the objective data available from state and local government offices. This helps in the objective and dispassionate comparison of data. Data has also been acquired from the Punjab, Haryana and Delhi Chamber of Commerce to understand the relative position of Gurgaon not only in terms of Haryana, its home state, but also in terms of Delhi, which witnesses cautious globalization and relies more on synergistic partnership with people.

The primary purpose of this paper is not to criticize the process of reforms that open the Indian economy to global competition and to entrepreneurial discovery [Austrian model], but to suggest that because of the limited use of public choice, a missed link impinges upon the democratic functioning of institutions. Data collection is mainly through secondary sources, which are derived from media reports, nongovernment organization (NGO) research, and state government reports on panchayat and city administration.

The study attempts to conflate the socially woeful and structurally xenomorphic gap between transaction cost and agency theory, on the one hand, with that of the critical theory model used by Riggs in Comparative Administrative Group (CAG) analysis, on the other. The theory of transaction cost (Williamson 1964) and agency analysis (Moe 1997) are used along with a more rigorous use of interpretive method (Walsham 1993) to understand the flow of information in a governance network, which influences the process of aggregation and consolidation in society and among service recipients in a city. The interpretive method is indispensable to fill the gap between charged

society and nonavailability of any data to show people's increased participation in government programs.

This also helps to generate an improved understanding of the linkages of democratic institutions to the anthropological and cultural factors in a society rather than to the state regulatory mechanism leading toward decentralized and accountable administration. Thus the apt remark that "the modern liberal democratic state goes the furthest in trying to accommodate cultural identities within it. The structures it must necessarily institute to be able to do so constitute the challenge of our times" (Gupta 2000).

The trade alignments of transitional economies like India are posing grave disjunctions between the demands of citizenship and those of their cultural identities. Movements against the state in the form of bureaucracy bashing had been in existence prior to the turbulent refusal of communities to implant megaprojects on their land in the early 1980s. The state failed to prevent either the marginalization of communities or the breakup of their social fabric, which became in itself an embedded fact of most government development policies. This has made intermediate institutions an important aspect of discourse on deliberate democracy. As Gupta (2000) observes, this led to recall of sentiments and structures of the past; it has also strengthened the demand for empowering intermediate institutions that will realize the promise of constitutional democracies. However, this study also recognizes the emergence of a civil society movement resonating with rigor the moral sentiments provoked due to the exclusion of groups with weak consolidation.

To explain that the process of decentralization and people's participation in globalizing cities has followed the pattern that suits the ruling political party more than people's demand for service delivery improvements, some of the crucial administrative decisions have been analyzed within local parameters. This reveals their impact upon voting patterns of various communities and the marginalization of electorally weaker sections of society. Considering the speed with which these changes are taking place and the difficulties faced by a researcher in obtaining data, the study has largely depended upon local media and information through resident welfare associations, local activist groups, and small-scale industry associations.

III. Deliberate Democracy and Globalization

John Stuart Mill upholds the values of "direct face to face democracy." The secret ballot system, according to him, erodes the very idea of democracy by letting citizens vote on the basis of "interest, pleasure or caprice" (1991: 227). The problem of electoral fallacy, which is defining the degree of democratic

deliberation in Gurgaon, is the enormous gap that has occurred between the representative and the represented. This is understood through an explanation of the democratic processes in any place. The first important stage of democracy is “elections”; the second is “institutional democracy,” which is an official effort between the elections; and the third is the process of sustaining these efforts by strengthening deliberative bodies of citizens.

The first stage is a short and regulated system functioning within the framework of the country’s law and constitution. The second is the process of putting those many norms and values of society in place through a gradual and incremental process of adaptation and implementation. The third involves a sincere effort to give a voice to every citizen. Since every citizen has a cultural, linguistic, or occupational bonding through innumerable informal groups that act as “steam release” communes, the task of sustaining democracy would mean that these groups may not be allowed to wilt. However, the first stage becomes visually very imposing, just like the hero of a blockbuster film whose gigantic publicity hides the enormous efforts of the whole studio team which led the film to this glory (see Birch [1964: 15]). Representative democracy has placed elections on the highest pedestal of insurance against despotism, as it bridges gaps between various policies and makes them more coherent and mutually consistent. Thus representation that originated as an instrument of democracy has now become bigger than democracy itself. Groups that are politically better consolidated have a natural advantage over others and can appropriate state resources as they want. Being a “vote bank,” they become the preferred choice of the elected representative.¹ Such nexuses manufactured through the democratic process share state resources in a way that shrinks and reduces institutional spaces that provide for open deliberations on policy issues. Thus, deliberate democracy converts into a hush-hush democracy governed by the state’s ability to bring about amendments to their composition, procedures, and life span. Globalizing cities have witnessed the subjection of their local bodies to many regulatory changes brought about by the demand for efficiency, economy, and speed.

Thus, although deliberation is a process of enabling citizens to make a rational choice about the political system they desire, this process is vested with institutions that reflect the core of electoral fallacies, such as the parliament, state legislatures, or local bodies in urban and rural areas.

Marginalization of deliberate democracy leads to at least one very important aspect that sustains democratic states, which is its substantive aspect. F. W. Riggs had studied this aspect in the early days when he was working in

¹ “Interest groups can be bought off and coopted with favours from politicians” (Sara and Katz 1997).

the CAG. Its important feature, which tends to be crucial to transitional societies, is *reciprocity*. The relevance of Riggs's ecological framework and its consistent applicability to Indian analytical studies is due to his normative understanding of community institutions and their embedded rationality, which form the core of bureaucratic institutions. He rejected the functional argument of Almond's systems approach, and he indicated those variables where inputs did not lead to predictable outputs, and thus policy slippages remained unexplained. To Riggs goes the credit of liberating public administration theory from the US federal experience and suggesting a model based upon the cultural argument and providing an explanation of community relationships and administrative diversities, despite the fact that his path-breaking effort to reach a general theory of administration was left off half way with the early and premature demise of the CAG. Recognizing the futility of theoretical efforts to implant Western models into India, Riggs wrote, "We may expect that a model which throws light on administrative realities in one setting may simply obscure the facts in another situation" (Riggs 1960: 225–242). He illustrated this in an interesting discussion on the issue of land revenues, addressing whether they should be classified as "taxes" or "rents." Since this dichotomy assumes the existence of a market system (which it was not), he drew on a study by Walter C. Neale (1957) to prove the fact that it was "neither" (1957: 218–235). Neale mentions that the system prevailing in the Indian village could be called "reciprocative" and "redistributive," in which every occupational group (barbers, washermen, carpenters, etc.) performed its traditional duties for other members in the village without direct compensation. The cultivator at harvest time would distribute shares from his crop to all of them as well as to the Rajah, who also reciprocated by distributing it to his officials in the court and himself. This entails a highly specialized system of activities and exchange without reliance on markets, price mechanisms, or demand-supply forces.

Globalization has once again thrown open to debate a very pertinent question about the need for marketizing such a specialized network embedded in traditional society. Riggs (1960) further suggests that marketizing might inadvertently lead to a transformation of society by replacing or eliminating the existing benign structures. This carries the theoretical argument about the prevalence of "substantive" economics, which contrasts with the formal market system and provides a way for community members to interact with their natural and social environment in such a manner that they are able to satisfy their material needs even in times of scarcity. This is an adequate explanation about India's subsistence economy, in which a large number of rural poor are capable of surviving simply due to the availability of biomass resources (like natural produce from land, wetlands, village forests) free of any cost. When developing countries like India undergo "debt servicing," these biomass

resources are subsidized for industries, as a result of which poor people lose access to them.

Thus an economic system prevails without having a formal economic structure, and an administrative system prevails without in any way having the rationally justifiable administrative model. Riggs's study suggests that an administrative system may function without having a bureau just as an economic system can work without a market. "One may discover, of course, that what exists is not at all a bad thing" (Riggs 1960: 227). Reciprocity is at the core of "deliberate democracy" (Gutmann and Thompson 2003). Deliberation ensures cooperation and reciprocity prevents the majority from overlooking or sidelining the particular systems that regulate fairness in small communities. "Reciprocity is to justice in political ethics what replication is to truth in scientific ethics" (Gutmann and Thompson 2003: 35). Replication in scientific research requires public demonstration and strengthens truth; similarly with reciprocity, which justifies a law through public deliberation. In doing so, some substantive principles like cultural freedom, moral values, and access to opportunities other than the formalistic and procedural ones play a dominant role. By insulating legal processes from substantive democratic systems, the deliberative element of democratic governance is affected, as a result of which it is unable to face the moral and political challenges of globalization.

Russell Hardin's "street level epistemology" (Hardin 2003: 165), or a theory of knowledge of ordinary persons, is another defense of substantive factors that provide fundamental structures to the democratic framework ("street level epistemology is the subjective account of knowledge, not a public account" [2003: 165]). This knowledge is about usefulness, trust, and free interaction of people in a social system that is not generated by outside, exogenous forces but from within the system itself and therefore prioritizes social justice and normative values in democratic governance.

Globalizing cities are a result of exogenous pulls based upon justifications of a kind that increase FDI in the region. Consequently, the political regimes adopted the mode of legitimizing this transition from the protectionist economy to a liberal economy on the basis of free and fair elections rather than deliberations on the substantive modes of governance.

This flawed conception of democracy privileges elections over other dimensions of democracy and ignores the degree to which multiparty elections (even if they are competitive and uncertain in outcome) may exclude significant portions of the population from contesting for power or advancing and defending their interests, or may leave significant arenas of decision making beyond the control of elected officials (Terry 1986: 9–36).

This has in fact increased the hold of formal properties of governance over substantial features that consolidate societies and help democratic aggregation. Communities have become more vulnerable than ever before to the dominant interests that lubricate the procedural machinery of elections. The extent of political repression of weaker communities, marginalized groups, and the rural poor are issues that the modern liberal state tries to answer through the electoral process rather than invoking issues of substantive justice in law and governance. Fung and Wright (2003: 3) argue that the apparent decline of state capacity to govern democratically has helped the “right of the political spectrum” to escalate its attack on the very idea of the affirmative state. As they further write, “deregulation, privatization, reduction of social services, and curtailments of state spending have been the watch words, rather than participation, greater responsiveness, more creative and effective forms of democratic state intervention” (2003: 4).

A strong critique of new institutionalism in administrative practices has come from critical theorists. Habermas, in *Between Facts and Norms* (1992), carried a very strong emphasis on participation and what he prefers to call “discourse democracy.” This democracy emerges from those critical realities of society that solidify through participation in formal and informal forums rather than in electoral politics. Cultural presuppositions about traditional communities can model a process of informal logic that would test validity claims and design a framework of democratic participation. Social actions are regarded as the reproduction and transformation of practices and structures that are relatively enduring and exist prior to the individual. Even Riggs’s advancement of the theory from *Prismatic Society Revisited* (1973) to *Applied Prismatic* (1978) was an intensive search for frameworks of ethnicities and interethnic processes and problems that continue to remain relevant for Indian administration. Kothari (1991) and Dipankar Gupta (2000) are forthrightly suspicious of the homogenization process and suggest revival of civil society institutions based upon traditions of mutuality and togetherness. The present period of advancement calls for strengthening constitutional democracy by reviving modern rational-legal intermediate institutions, such as the institutions of local governance like the municipality, panchayat, or judiciary, or the corporate structure of the economy. It is this aspect that an affirmative state, rather than a retreating one, is more empowered to take cognizance of.

The support for the affirmative state has declined in the recent years of advancing globalization because the capacity to mobilize community-guided movements has also declined. This feature manifests itself in a more pronounced manner in globalizing cities, because of their ability to draw people from all regions of the world as a technical support work force or as unorganized low-wage laborers. Thomas and Heller (2003: 77), in their case study on

decentralized planning in the Indian state of Kerala, assert, “A fiercely competitive political party system grafted onto a highly unequal and fragmented social structure has privileged narrow and opportunistic interest politics over more encompassing forms of representation.” Thus, politics has been reduced to a zero-sum scramble for public resources (Thomas and Heller 2003: 77). To use Karl Polanyi’s metaphor, these regions of the country have become “satanic mills” of the poor, where all people’s movements freeze. This also suggests the growth of a shadow governance system, as elaborated in Strange’s *The Retreat of the State* (1996), in which transnational diplomacy between national mafias has found it easier to operate economic enterprises. In globalizing cities, it is the “land mafia” that is a more visible and tangible variant on the political scene, though actual data about their influence may take more time to emerge in research.

IV. Reforms in Local Governance that Shrink Spaces for Deliberation

The purpose of this paper is to explore whether reforms are shrinking the arena of deliberate democracy and subordinating institutions of social deliberation to demands of the new market. Reforms undertaken at the local governance level, which affect the acquisition of village resources for infrastructure development and urbanization processes, have raised serious problems. Public administration is subjected to theoretical tensions to understand it in the background of the spirit of constitutional democracy and demands of new markets. Rosenbloom (1982: 54) suggests that the trinity of values that arrive from traditional professionalism in public administration such as efficiency, effectiveness, and economy should never be allowed to displace discursiveness and deliberations about public policies in society, or prevent autonomy of communities and the idea of common good. Long (1976: 21) also argues that we must not “substitute a market with consumers for a polity with citizens.” This has, however, not been the case in globalizing cities. Indian democracy rests upon a substratum of villages composed of communities that are ethnically, linguistically, and culturally very diversified. Yet one factor that links them into a nation is the agriculture cycle of the *Rabi* and *Kharif*² cropping seasons. Since life revolves round it, their community institutions also revolve round it. Sir Henry Cotton in his book *New India or India in Transition* (1886) states that even the British House of Commons Report of

² Rabi and Kharif are the summer and the winter crop cycles, the two crop seasons around which the whole agricultural economy of India revolves.

1812, during the peak of colonial occupation of India, carried observations about the self-supportive governance system prevailing in Indian villages.³ Villages have been constantly pressured by state authorities to dispense with their land and forests which, being arid types, are generally treated as wastelands under centrally sponsored schemes for land regeneration such as the Drought Prone Area Programme or Desert Development Programme. The penultimate value attached to village governance in the Constitution gets derailed due to the lopsided and exotic reforms being carried toward marketization of local governance. This has prevented the growth of participatory bureaucracy and emboldened the rule of dominant caste mafias in rural areas.

Panchayats were sacrosanct to villages in India even before they were constitutionally recognized in the 73rd Constitutional Amendment Act of 1992. This amendment was a new milestone in the democratic evolution of India, since it finally recognized this innate capacity of Indian governance. It was a landmark in the direction of decentralized decision making. Panchayati Raj Institutions (PRIs), which are the rural governance structures, and municipal bodies (urban structures) ensured people's participation in planning, decision making, implementation, and delivery. This paper takes up the reforms undertaken by globalizing cities to facilitate speedy infrastructure development and FDI investments. It would also work on the logic that reforms have to reflect people's habits and value systems and for that reason they also have to originate from people, since administrative practices can not divert from established habits and norms of society (see Box [1997: 84–100]).

The element of deliberation embedded in local institutions gets weakened right from the preparation of the Master Plan prepared for the city, as it is a plan for city expansion and urbanization over agricultural lands. It is mandatory for every city to prepare a development plan. This is generally called a Master Plan, which sets in motion the task of land acquisition for development purposes in accordance with the prospective problems that the city may encounter as it grows. The problem begins when the core component of development—that is, “land”—is the scarcest commodity within the municipal limits. So this land has to be acquired from the surrounding villages. Thus, agricultural fields, land under panchayats, and village community resources such as ponds, wells, village forests, and watershed areas, which are cherished as the common property of all village inhabitants, suddenly become commodities to be sold in the market. This process of acquiring land from villages has been going on for a long time, but as administrators from three development offices in Gurgaon reveal, earlier

³ “Politically viewed it resembled a corporation or township... under this simple form of municipal government the inhabitants of the country have lived from time immemorial...” (British House of Commons Report 1812).

they were being acquired for laying a railway line, a road, an electric line, or an industry that in many ways compensated villages for the loss of land through the ethical argument of capacity development. In the present times, globalization pushes multinationals into the market, as a result of which the government acquires land and passes it to the developer, who finally becomes the major beneficiary. This is evident in the statistics on foodgrain production in Gurgaon, which has declined as a percentage of the gross value of agricultural output at current prices from 71.02% in 1970–71 to 49.01% in 2001–2002 (Government of Haryana 2004: 768).

Even the land use pattern of the state of Haryana suggests that the area under forests has been drastically reduced, from 4.62% in 1980–81 to a mere 1% in 2004. (Statistical Abstracts of Haryana 1980–81 2004) and therefore the percentage of Gurgaon's forest area to the total geographical area of the district is a pathetically low 2.56%. (Forest Department, Haryana 2004: 332). These factors are seen in the process of people's contribution to the developmental process and their participation in state programs. The Community Development statistics of Haryana (2004: 346–347) reveal that people's contribution to the community development programs in Haryana, which rose from Rs648.19 in 1967 to Rs763.44 in 1981, show a sharp downturn in the globalizing period to a mere Rs75.00 in 2002–03.

A startling revelation here is that the less globalized industrial states have more working population, for the simple reason that these small states offer more diversified and community-based options available to every class of citizen, whereas the globalizing townships are straightline trajectories to urbanized middle-class growth, marginalizing the rural poor.⁴ This is adding to the burgeoning numbers of unemployed people in Haryana. Statistics from the Haryana Director of Employment show that the number of unemployed persons has almost doubled, from 486,706 in 1985 to 802,581 in 2002. Even though the market has opened up, the state capacity for placement has decreased from 17,253 persons in 1985 to 4,764 in 2002.

In the early era of liberalization, most of the state governments did not have the money to compensate villagers for their acquired land. This anomaly was partly rectified in 1996 when Government of India's Urban Development Plans Formulation and Implementation (UDPFI) rationalized the problems of land acquisition so that the benefits of adequate compensation go straight to the owner and the predictability of development programs for the city are also assured.

⁴ The 2001 statistical abstract of Haryana shows that the percentage of main workers in the total population in Gurgaon and Faridabad, the top globalizing districts of Haryana, is 28.03 and 28.32, respectively, but is 32.57 and 32.47 in Sirsa and Fatehabad, respectively, which are trailing far behind in the rush for global companies.

UDPFI defined “transfer of development rights” as

the development right to transfer the potential of a plot designated for a public purpose in a plan, expressed in terms of total permissible built space calculated on the basis of Floor Space Index or Floor Area Ratio allowable for that plot, for utilization by the owner himself or by way of transfer by him to someone else from the present location to a specified area in the plan, as additional built up space over and above the permissible limit in lieu of compensation for the surrender of the concerned plot free from all encumbrances to the planning and Development Authority.

This system recharged the real estate developers and thus the total land cost flows from the developer to the landowner. The process was accelerated when the Government stated in November 2003 that it would permit 100% FDI, on a case-to-case basis, in the development of integrated townships. This would permit FDI in housing, commercial premises, hotels, resorts, city- and regional-level urban infrastructure facilities such as roads and bridges, and mass rapid transport systems. Two Malaysian companies, Feedback Integrated Infrastructure Development Corporation and IJM Infrastructure Ltd, have already entered into agreement to develop townships at Gurgaon and in Kukatpally in Hyderabad. According to the 2004 Global Retail Development Index by A. T. Kearney, India ranks second in the world when it comes to opportunities in the organized retail business—even higher than the People’s Republic of China, which is ranked third. Investment in retail real estate yields 13–16% per year. This system lies behind the rapid growth of some of the previously sleepy and slogging townships. Reforms that have reduced bureaucracy and liberalized laws have also helped the generation of private facilitators from local areas who help in land acquisitions by suppressing the local communitarian voices.

The developments mentioned above have made rural areas and their local bodies such as panchayats vulnerable to the pressures of real estate developers. The role of panchayats in protecting and generating income for the poor landless, animal-rearing tribes and *dalits* (groups of communities which have remained socioeconomically backward for reasons of social discrimination due to caste factors) in the village by protecting most of their resources such as land, water bodies, and forests, including the common property resources, has decreased and mostly subsided. This, however, would not mean that panchayats have acted as responsible and honest guardians of village’s common areas, but they score better in traditional face-to-face accountability forums within their communities than the new structures created through exogenous pulls of the new market regimes. The Planning Commission has also noticed this lacuna

of planning, in which the higher administrative bodies of the country have failed to relate people's problems to their policies. The *Report of the Task Force on Panchayats*, constituted in 2001 under the Chairmanship of K. B. Saxena, had pointed out certain grave factors that prevented people's access to the planning process. "It is observed that a number of Ministries of the Central Government have not taken any concrete steps to integrate PRIs in their strategy of planning and implementation of various programmes which essentially fall in their jurisdiction" (2001: 1).

This problem has also been exacerbated due to the direct access by some NGOs to relevant ministries. The shocking fact uncovered in the report is that "PRIs do not really figure in this strategy of implementation and in fact there is not even a conceptual recognition of it. NGOs are operating in areas and on subjects which belong to the PRIs and therefore are expected to work in tandem with them (2001: 1). The report further admits that since ministries undertake internationally funded projects, they tend to implement them directly, without any involvement of PRIs. The Ministry of Rural Development has failed to bridge this gap. Its 2001 Annual Report (2001: 5) listed 232,278 panchayats at the village level, 6,022 at the intermediate level, and 535 at the district level. These panchayats were being managed by 29.2 million elected representatives at all levels, of whom one third were women. Ironically, this huge deliberative framework has been ignored in the process of planning, and the NGO-led decentralization has brought in experts who are delinked from the anthropological history of that region.

This paper mainly looks into the process of globalization and FDI investment in Bangalore and Gurgaon. The selection of these townships is due to their physically distinct nature. Bangalore is the largest cosmopolitan area of urban India, besides being a major software producer in India. Gurgaon has taken to that status quite recently and both the cities are called the "Silicon Valley of India." Bangalore has always been an urban, literate society, whereas Gurgaon has been a rural and traditionally a caste-dominated township, despite its proximity to the capital city Delhi. It would be interesting to begin from the panchayats of the capital city "Delhi," where the panchayati raj continues to be suspended by the state government and no effective steps have been taken to revive PRIs. Much of the illegal activity of land mafias continues over this juridically overlapping area of governance, also called the "lal dora land." The Delhi Development Authority controls most of the development of land. Bangalore had also set up the Bangalore Development Authority in 1976 as a successor to the erstwhile City Improvement Trust Board. The Bangalore Agenda Task Force is a recent creation to act as a catalyst in realizing the city's potential. Gurgaon has the Haryana Urban Development Authority, which till 1996 was acquiring land and then giving it to Haryana State Industrial

development Corporation for demarcating plots for development activities. It is a paradox that in these cities no specific body has arisen to look into these irregularities of globalization-led land acquisition from rural communities. This has helped the state government acquire the benefit of centralizing city plans including financial flows.

It is imperative to study the process of development and urbanization in globalizing areas and seek ways to measure the democratic deficit of such townships. The most important administrative and political strategy is that of acquiring land from adjoining villages. It involves a number of interrelated measures. First comes the most essential ingredient, a developer-friendly *legal framework*, which ensures that land can be easily bought and sold. Second is the administration-friendly *procedures and regulations* to ensure the development of land at an affordable cost. The third measure is that of a legitimacy in which the *land taxation* system is designed to promote equity and efficiency in land use. This process also includes an installation of a *transparent and corruption-free local administration*, which may not really push reforms to improve people's access to these measures.

A. Gurgaon Model

To understand the shrinking deliberative power of panchayats in Gurgaon, it is important to assess their status since the beginning of global marketization in the early 1990s. In the 1991 census, Gurgaon had 688 inhabited villages, which increased to 700 in the 2001 census because of the explosive increase of 44.64% in its population; but the number of so called "uninhabited villages" mentioned in the Director of Census Operations records fell from 42 in 1991 to 26 in 2001. This is reflected in the creation of a new town in Gurgaon district: the number of towns increased from 11 to 12 during this period. These so-called uninhabited villages were the grazing grounds of cattle- and sheep-rearing rural inhabitants, who gained little out of a global spread of business process outsourcing companies. Gurgaon being a district with a dominant rural population,⁵ the workforce largely arrived from cities outside Gurgaon. The massive housing and construction boom that followed took place on the land acquired from villages.

⁵ The 2001 census of Gurgaon shows rural and urban populations as 1,288,365 and 369,304, respectively, as compared to 913,386 and 135,884 in the 1991 census. The maximum increase of population has occurred in central Gurgaon town, where the urban population in 2001 shows a substantial rise to 249,403 of the total of 369,304. This part of Gurgaon, which forms the industrial region, is contiguous to Delhi and therefore is the hub of multinational corporations' expansion (Director of Census Operations 2004:36, 40, 51).

The District Town and Country Planner (TCP) claims that the controlled areas that fall at the rural-urban fringes are real centers of planning for further industrialization. In Gurgaon alone it comprises something like one third of the total land in the district, out of which only 9.5% of the areas are urban, thereby leaving more than 90% of the state's area free from any of the controls of Acts enforced by the Government. There has been a substantial amount of infrastructure mismanagement, since the Municipal Committee and the panchayats are not obliged to function within this area and the TCP cannot undertake work without an officially declared plan for that area. They may more reasonably be termed as the "areas of diluted governance." The land purchased within the controlled areas needs a change of land use (CLU) Certificate from the District TCP, which the land purchased outside the controlled areas does not require. Since the industrial townships have not been able to develop plots, these industries have started buying plots directly from the farmers and managing to obtain CLU certificates from the Directorate of Town and Country Planning. This process was guided by a colonial legal system defined under the Land Acquisition Act of 1894. In 1995, on 9 February, the government constituted a committee comprising the following officers as a process to decentralize the power hereby concentrated in the Divisional Commissioner's office:

- Divisional Commissioner as the Chair,
- Deputy Commissioner as the Member Secretary,
- Representative of the Concerned Member Department, and
- District Revenue Officer as the concerned Member.

This also restricted the District Commissioner's discretion to determine the market price of land, not on the basis of 5 years' sale average but only on the basis of 1 year's sale average. Section 5A of this New Land Acquisition Act of 1995 also enabled the landowner to refer to the court under Sec. 18 of the Act. At the peak of this globalizing exercise in Gurgaon, another amendment was undertaken on 8 September 2003. Into Section 22 of the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act 1963, after clause (a), an amendment (aa) clause was added to increase the "*abadi deh* areas" [inhabited areas around the village] and reduce the controlled areas where numerous restrictions on construction activities apply. The explanation for the amendment given in the statement of objects and reasons by the TCP Minister of Haryana was the need to exempt construction activity in *abadi deh* areas.

Parallel to liberalizing the process of laws related to ceilings on agricultural land acquisition and disposal of surplus area⁶ has also been a systemic restraining of the decision-making autonomy of local bodies. The 73rd Panchayat (Amendment) Act 1992 had given a constitutional status to panchayats and the Haryana Panchayati Raj Act 1994 had adopted this provision for better administration of rural areas. With the globalization of the market, certain amendments were made to the state act that raise questions about the democratic imperative of these local bodies. Three provisions may be mentioned here.

First, the Act of 1994 says that “If the whole of the *sabha* area is included in a municipality or a cantonment, the Gram Panchayat shall cease to exist and the assets and liabilities of it shall vest in the municipality or cantonment as the case may be” (Part II, 7 [4]). Taking their cue from this, the developers constructed urban areas on village lands and thus were given the benefit of not having any taxation regime like that of cities. But the price for this anomaly is extremely high, as these villages are at the verge of extermination by real estate developers in business here, such as DLF City, Unitech City, Ansal City, or Ardee City. These areas, exempted from the restrictions imposed by the 1963 Act mentioned above, have not been included in the Municipal Council of Gurgaon for fear of losing a vote bank, since their inclusion into a municipality would mean their subjection to a taxation system on property and land transfer deeds. But besides this tax exemption, these residents of multinational corporation-led urban areas also become entitled to vote in panchayat elections without being physically residents of the villages, historically or emotionally. This is a total turnaround to the very idea of panchayats as a system of self-governing institutions for village communities, as recognized by the Constitution of India (Article 243 G). The urban voters almost outnumber the rural communities living in these village areas, who have lost their land and occupations, as well as access to their community governance systems.

Second is the series of amendments to the 1994 Act that have systematically weakened the checks and balances system embedded in the Act. Part II Art 8 (2b) of the Act, which provided for six to 20 *panches* (representatives) from wards in a panchayat area in the manner prescribed so that the despotism of the *sarpanch* (headman) could be restrained, has been omitted (*vide* Haryana Act No. 10 of 1999). This has abolished the power of the *panches* to call a special meeting with notice to the *sarpanch* and has also led to the Haryana Act No. 14 of 2003, in which the obligation upon the

⁶ Haryana Ceiling of Land Holdings Act 1972, [Act 26 of 1972] through which surplus land was assessed and automatically vested in the state on the pretext of its being “unutilised” (Kehar Singh and another v. State of Haryana and others 1995 [2] RRR 654 [P&H]) even though the family of the landowner grows bigger, he is not entitled to have surplus area case reopened for recomputation under the 1972 Act (Bhagwanti Devi v. State of Haryana 1994 [2] RRR 358 [SC]).

panchayats for having a circle supervisor from among the existing *gram sachivs* (village secretaries at the local body) to supervise the work of *gram vikas sahayaks* (village development volunteers) was substituted.

The third concern is that such measures becoming common in India also raises questions of constitutional propriety. In a case pending in Haryana High Court against a major colonizer in this area, DLF Ltd., and a few other minor developers, it has been recognized that a clear violation of Articles 243X and 243W exists, read with Schedule 12, in which the developer was to undertake the responsibility of maintenance under agreement between DLF and the District TCP. The contesting Resident Welfare Association of urban settlers charges it as the “Biggest Land Scam in the Country.” People’s awakening has led to the demise of the regime of former Chief Minister of the state, Om Prakash Chautala, and his sons in the last Assembly elections of 2004, who were instrumental in importing an uncontested rule of colonizers and land mafias in the district of Gurgaon (*Amar Ujala* 2003).

B. Bangalore Model

The Bangalore Development Authority (BDA) came into existence in 1976 as a successor to the erstwhile City Improvement Trust Board. The BDA does not have a parallel in Gurgaon. Even rural panchayats have undergone a systematic trimming through gradual amendments, but the presence of an alert and educated citizenry in Bangalore as a buffer has prevented the state government from colonizing citizens’ lives through big corporate builders.

The *gram sabhas* (village bodies) were constituted in the 1983 Act and the first elections to panchayats were held in 1987. But in 1992, these local bodies were superceded and administrators were appointed. In 1993, following the Constitution 73rd Amendment Act, the Karnataka Panchayat Raj Act was passed, but still these local bodies could not emerge as deliberative institutions. They have been fund-starved⁷ since their inception, and the newly created post of the Chief Executive Officer (CEO), who retains most of the powers, is not under the control of local panchayats. This Act has since been amended six times. The Nayak Committee, which was appointed in 1997, tried to debureaucratize these bodies by transferring many functions back to the panchayats. Inbanathan’s (2000) study on these local bodies in Karnataka records an observation that, although panchayats are provided the opportunity

⁷ The First Finance Commission had recommended in 1996 that village bodies should get a higher rate of finances, but it was never achieved (Satish Chandran 2000).

for the widest section of rural society to participate in local governance, social conditions ensure that only a section of the village people actually acquire and wield power.

The rise of development authorities has also been a serious threat to flourishing local economies. The Master Plan for Bangalore was drawn to promote “urban renewal” under the Mega Cities program, similar to the cyber city program of Gurgaon. Though this brought megamalls and multistoried apartments, yet the local economies got blocked. The BDA has also demolished small enterprise-centered commercial areas to recover land that was finally allocated to higher-income groups (See Solomon and Bhuvneshwari [2001]). Procedures such as “land reconveyance,” which aids in the development of land for poorer classes, is subsequently weakened. In the 2001 panchayat elections, reports revealed that an auction of seats took place (Vyasulu 2001). Most of the intermediate local bodies are elected under development partner pressure. Government departments are given targets to set up self-help groups and other people’s organizations for better people’s participation. Allegations have been made about the government by the Bellandur *gram panchayat* and surrounding villages, which were selected for the proposed information and technology corridor project in the City. In September 2004, Janata Dal (Secular) Secretary-General C. Narayanswamy demanded a high-level inquiry into land grabbing by private land developers and influential persons (*Deccan Herald* 2004). It has been reported that despite preliminary notification for land acquisition by the BDA and the Karnataka Industrial Area Development Board, influential persons, middlemen, and private land developers have cheated the farmers by paying them less than the market value for their lands and then selling the acquired lands at prevailing market rates to information technology companies like Intel. The India Urban Indicators Programme developed by the Society for Development Studies was well received at the United Nations Habitat II Conference held at Istanbul in June 1996, and won the “Best Practice” award for excellence from among 110 participating countries. Bangalore was among the 11 Indian cities included in the program and Karnataka accounted for five of them. Thus in Bangalore also, a loose regulatory environment for land use is oriented toward mixed land use, as a result of which developers hold sway over its development and retail sale.

The Bangalore model serves governance parameters better than the Gurgaon Model and this is for one single reason. They have better civil society activism and two important measures of downward accountability: first, the gram sabhas as deliberative bodies and, second, the system of *jamabandhi* (social audit). When gram sabhas started deteriorating, efforts such as citizens’ charters, Report Cards on Public Utilities, and right to information became important. Similarly, citizens’ groups in Bangalore such as Public Affairs Survey and

Swabhimaan collected a set of crucial data from candidates contesting elections and then disseminated the data to help voters make a better choice. Their survey (Table 1) of the industrial environment in Karnataka State has also spurred reforms in the Karnataka industries (Simplification of Procedures and Documentation Act/Rule 2001).

Table 1. Ranking of Disabling Factors in Karnataka’s Industrial Environment
(as expressed by large-scale investors)

Factors	Rating ^a	Intensity of Dissatisfaction ^b
Corruption	3.54	58%
Infrastructure	3.20	41%
Taxation	3.03	33%
Interface with government	2.64	20%

Notes: ^a Respondents were asked to evaluate the above factors on a scale of 1–5, where 1 was the best and 5 the worst. Ratings indicate average of scores of all respondents.
^b Proportion of respondents giving 4 or 5 to a factor on the scale.
Source: Paul and Kumar 2002: 72.

V. Epistemic Bonds in Local Governance

The last part of this paper brings out a model of governance based upon quantum physics that explains why local governance weakens when exogenous trends start dominating the processes of globalization and transnational investments. This model also explains that the weakening of local governance is the main impetus behind the rise of electoral fallacies in modern democracies.

Quantum mechanics offers a method to understand the structures of society and about the ecological bonds that may be referred to as epistemic bonds [EB], which bring people together and sustain them in a common mode of beliefs, values, and culture, or more appropriately, in an ecosystem. Thus, EB is a “strong attractive force” composed of a set of relationships between the resources and the resource-dependent community. These bonds also provide stability and security of habitation and of the availability of needed resources from the ecosystem. All this is assured due to internal governance systems nurtured and sustained over a long period of history within the framework of ecological relationships, which an exogenous mode of development fails to visualize. The two figures given below explain the pressures of production strategies that do not adapt themselves to the community’s carrying capacities within the local constraints of resources. The result is the reduced and shrinking community spaces leading toward retrogressive development or an

unsustainable development. As this trend continues, the cost of governance increases and visible negative effects of growth such as inequities, lawlessness, violence, spread of diseases, and loss of environmental resources block the achievement of good governance within any society.

Figure 1. A Flourishing Community Structure with Embedded Rationality of Ecological Sustainability

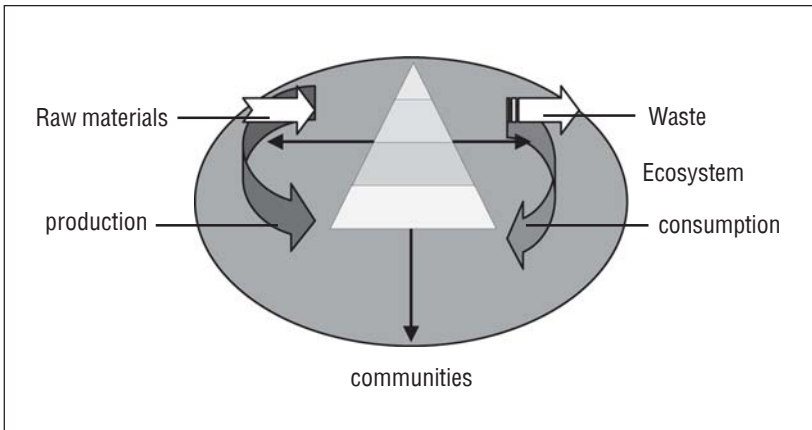
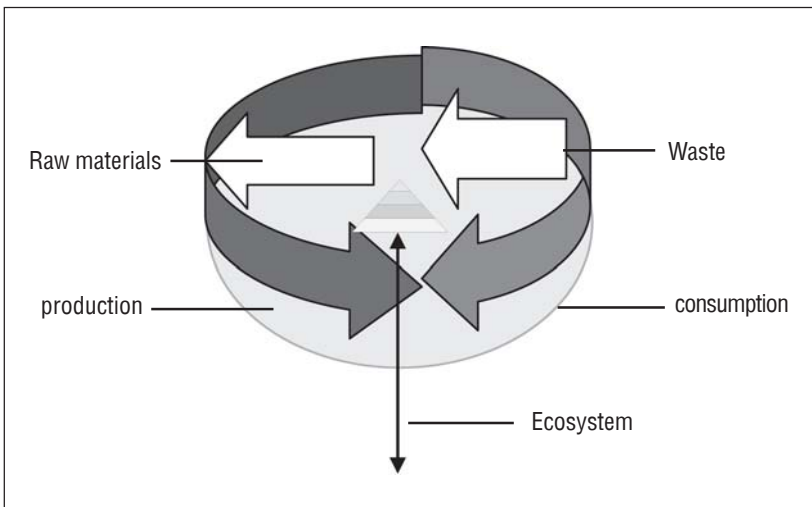


Figure 2. Fading Community Spaces Due to Pressures of Exogenous Development Processes



VI. Conclusions

Globalization has changed the context as well as the epistemology of development policies in Indian cities. The core defense that the study makes is that of deliberate democracy, which entails consideration for reciprocative and substantial democratic principles. Institutions that have grown and evolved over a period of time in a cultural domain cherish certain ideals and values, which form the axis of sustainable governance.

Since globalization brings new transnational actors and the lure of big money—for which the development and infrastructure arrangements by state authorities are not enough—governments have been subsidizing the core value systems of substantive democracy by weakening their hold over their resources of empowerment. Panchayats have become an anathema for an ambitious Master Plan of a globalizing city. Thus the political party ruling the state undertakes measures to weaken them and even bypass the norms of constitutional propriety. This is made possible by aggressive and maneuverable measures for using the electoral machinery. Thus electoralism is treated as the condition for democracy in the state.

Two models of such globalizing experiments have been taken for analysis; Gurgaon and Bangalore. While this paper foresees a grim future for democratic standards and deliberative democracy in Gurgaon, it certainly perceives a slow but a definite return to deliberative democratic norms in Bangalore. The reason is the existence of a few committed people's organizations, which keep a check upon the records of transparency of governance and accountability of the government. Thus, deliberative democracy, which is dependent upon fearless mutuality and interaction in the functioning of institutions, is also the best information disseminator, preventing degeneration of democracy into electoralism, or electoral fallacies.

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Poverty Alleviation and Peace Building in Multiethnic Societies: The Need for Multiculturalist Governance in the Philippines

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I. Introduction

At present, the United Nations (UN) has three top priorities: eradicating poverty, preventing conflict, and promoting democracy. UN Secretary General Kofi Annan stressed:

Only in a world that is rid of poverty can all men and women make the most of their abilities. Only where individual rights are respected can differences be channeled politically and resolved peacefully. Only in a democratic environment, based on respect for diversity and dialogue, can individual self-expression and self-government be secured and freedom of association is upheld (Annan 2005).

Reflecting the UN's concern for preventing conflict is the special focus on cultural liberty and ethnocultural conflict of United Nations Development Programme's (UNDP's) *Human Development Report 2004*. Its main emphasis is the global imperative of "accommodating people's growing demands for their inclusion in society, for respect of their ethnicity, religion, and language" (UNDP 2004).

Ethnocultural conflict, or ethnonationalism, confronts countries of varied circumstances, big and small, developed and less developed, old and new, authoritarian and democratic, socialist and capitalist. It afflicts even the advanced industrialized countries of the West like the United Kingdom, the United States, France, and Canada.²

Most of today's armed conflicts are internal, not between states as in the past, and the great majority are in states with two or more component nations or cultural communities. And considering that almost all of the world's nearly 200 countries are multicultural or multiethnic, with two thirds having one substantive

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² For ethnocultural or cultural diversity challenges in the advanced industrialized countries in the West, see Kivisto 2002 and Wicker 1997.

minority group (ethnic or religious), and the likelihood that ethnic challenges will grow, effective management of the challenges of cultural diversity becomes an urgent imperative of survival at both the national and international levels.

Addressing the phenomenon of ethnocultural conflict is indispensable not only to the promotion of democracy but also to poverty alleviation. Poverty alleviation and the management of cultural diversity are strongly linked. The UNDP's report emphasizes the primacy of cultural diversity management to poverty alleviation, viewing the former as a precondition to the latter. The report states:

If the world is to reach the Millennium Development Goals and ultimately eradicate poverty, it must first successfully confront the challenge of how to build inclusive, culturally diverse societies. Not just because doing so successfully is a precondition for countries to focus properly on other priorities of economic growth, health and education for all citizens. But because allowing people full cultural expression is an important development end in itself" (UNDP 2004: Foreword).

Addressing cultural diversity should be given top priority in contemporary reform initiatives in public administration. Effective management of cultural diversity is a first-order governance imperative affecting the nature, content, quality, and implementation of public policies and programs. Hence, public administration scholars in multiethnic societies need to reexamine some of their ideas, views, and assumptions, like those pertaining to the societal context of public bureaucracies. In particular, they need to rethink their views about the ecological or culture-bound nature of public administration. While it is true that "public administration is embedded in the surrounding society" (Peters and Pierre 2003), scholars in the field have neglected or trivialized the cultural heterogeneity of the society wherein public administration is embedded. Even scholars who are strong advocates of the cultural perspective in public administration (i.e., that emphasizes fitting management or administrative ideas to the cultural context) have ignored the cultural heterogeneity of the societal context of public administration.³

For multiethnic countries, this neglect or trivialization of the cultural heterogeneity of the societal context is a fundamental flaw. This erroneous view is disastrous to multiethnic societies because they spawn political structures, processes, and policies that are more parts of the problems of peace and development than reforms therefor. In particular, we refer to assimilationist or

³ For example, see Dwivedi 2003.

monoculturalist states, which are hostile to cultural diversity, but many of which function as “ethnic democracies,” with the virulent version of ethnonationalism.

This paper is about the twin challenges of poverty alleviation and peace building in multiethnic countries. It argues that alleviating poverty and achieving peace therein require the transformation of their politics and governance to become multiculturalist. This means making their governance responsive to the challenges and requirements of cultural diversity. Moreover, focusing on the Philippine situation, the paper stresses the urgency of evolving a cultural diversity-friendly political formula, for the government to achieve the twin goals of peace and development, particularly in relation to its ethnocultural minorities like the Bangsa Moro (Muslim state).

II. Peace and Development Nexus

Peace is not just the absence of direct physical violence, as in a military confrontation between armed groups. Peace of this kind is short-term, fragile, and unstable. Some scholars refer to it as “negative peace.” But strictly speaking, this kind of peace is a mere break or interruption in violence or military confrontation.

In the context of the contemporary world characterized by the increasing number and intensity of violent conflicts, the peace we mean or aspire to bring about is one that is authentic or enduring, or what many scholars refer to as “positive peace.” It is peace characterized by the absence of the three types of violence in Johan Galtung’s “violence triangle,” namely direct/personal violence, structural violence, and cultural violence (Jacobsen 2002: 16–24).

The first, *direct violence*, refers to physical acts of violence such as those in actual military confrontations. The second, *structural violence*, refers to violence built into the very social, political, and economic structures and processes governing societies, states and the world. This type of violence is far more difficult to recognize and understand, but is far more destructive than the other two forms of violence. The third form, *cultural violence*, refers to violence associated with Manicheism, i.e., the presentation of one party (an individual or group) as evil and the other as good, denying the “evil” a voice, resulting in the demonization or dehumanization of the other, making them seem somehow “less,” “unworthy,” and ascribing to them entirely negative, self-serving, or evil motives.⁴ This concept is similar to what Bikhu Parekh

⁴ Note that the second strand of the definition of cultural violence in Galtung’s formulation focuses on those aspects of culture that legitimize or make violence seem an acceptable means of responding to conflict. See Jacobsen (2002).

calls the “moral monism” of much of traditional moral philosophy, including contemporary liberalism—its tendency to assert that only one way of life or set of values is worthwhile and to dismiss the rest as misguided or false (Parekh 2002: 16-49).

What constitutes development or the good life? To address this question would require describing each of the major dimensions of development.⁵ First, development has an *economic* component that includes the creation of wealth and improved conditions of material life, equitably distributed. Second, development has a *social* ingredient, measured as well-being in health care, education, housing, and employment. Third, it has a *political* dimension that includes such values as human rights, political freedom, enfranchisement, and some form of democracy. Fourth, it has a *cultural* aspect that embraces respect for cultural and religious differences and recognition of the fact that cultures (including religion) confer identity and self-worth on people.

What is the relationship between peace and development? According to Parekh, “Peace is the first desideratum in every society, particularly multicultural, whose tendency to provoke acute conflicts is further compounded by its inability to rely on a shared body of values to moderate and regulate them” (Parekh 2002: 207). And if “to work for peace is to work against violence” (Galtung, Jacobsen, and Jacobsen 2002), and if we adopt a more comprehensive view of violence that embraces Galtung’s three types of violence (direct, structural, and cultural), then a responsive and holistic development administration is indispensable to the achievement of peace in multicultural societies. Addressing the asymmetrical, unequal, and exploitative economic, social, and political structures and processes (structural violence) and respecting cultural and religious differences (cultural violence), in addition to initiatives directed to physical acts of violence (direct violence), are indeed significant in the achievement of an enduring or authentic peace in multicultural societies.

Pope John Paul II best captures the integral link between peace and development in the following statement:

It must not be forgotten that at the root of war there are usually real and serious grievances: injustices suffered, legitimate aspirations frustrated, poverty, and the exploitation of multitudes of desperate people who see no real possibility of improving their lot by peaceful means (cited in Wilber 1994).

⁵ The description of economic, political, social, and cultural dimensions of development followed the model given in Turner and Hulme (1997: 11). The definition of the cultural dimension contained there was slightly modified. Moreover, the last two dimensions of the model were excluded in the definition provided here.

III. Determinants of Ethnic Conflict

The multicultural character of a society per se does not automatically lead to some form of intercultural animosity or violent conflict. Many countries in the world are multicultural or multiethnic, but they do not have ethnicity-based political mobilization or ethnonationalist movements like the Moros in the Philippines, the Tamils in Sri Lanka, the Chechens in Russia, the Basques and Catalans in Spain, the Acehnese in Indonesia, and the Roman Catholics in Northern Ireland. Some countries that have experienced violent forms of ethnic mobilization in the past succeeded in resolving them after making some appropriate adjustments in their policies and governance and other aspects of society.

Ethnic conflicts, like the Moro armed struggle in the Philippines, are attributable to several causes or determinants. These factors may be classified into political, socioeconomic, cultural, and security.

A. Political

One major political determinant of violent conflicts in multicultural societies is the nature and character of the state. The unitary state, with its assimilationist and monoculturalist features, is obviously unresponsive to the cultural diversity of such societies. In the words of Galtung, the state in societies with two or more component nations functions as a “prison” for the nations other than the dominant one (Galtung, Jacobsen, and Jacobsen 2002). Another factor is the concept of “vertical ethnic differentiation,” which is defined as “the near perfect ethnic stratification in which different ethnic groups occupy different social classes” (Luhman and Gilman 1980). In such a vertical system, members of a minority ethnic community are consigned to menial or lower-level positions, while those from a dominant ethnic group monopolize the important political posts.

According to Luhman and Gilman (1980), “ethnic stratification is not an inevitable occurrence when two or more ethnic groups share the same society. It occurs only at the instigation of a particularly powerful ethnic group in that society.” Echoing the significant relationship of the ethnic-based differentiating role of the state and ethnic mobilization, Bhikhu Parekh argues:

When a majority community defines itself as a nation and seeks to monopolize the state, it provokes its minorities to define themselves as nations or ethnic groups. Minority ethnicity is often a defensive reaction against majority nationalism (Parekh 2000: 235).

It is the dominance or monopoly of political power by one group (the dominant one) and the relative political inferiorization or peripheralization of a minority group (as perceived by its members) that leads to political organization and mobilization. As UN Secretary-General Kofi Annan pointed out, “unequal access to political power forecloses paths to peaceful change” (cited in Strauss 2002: 11).

The importance of the above points is indicated by ethnic minorities’ political grievances, such as lack of control over local affairs, lack of participation or representation in the central government, and discrimination in the access to political and administrative positions. These grievances are the bases of demands for secession or other self-determination formulas like federalism, regional autonomy, power-sharing, proportional representation, etc.

B. Socioeconomic

The problem of poverty or socioeconomic marginalization is a central issue in most ethnic conflicts. The Center for War and Peace Research in Sweden reported that poverty was the major cause of about 80% of today’s wars (cited in Strauss 2002: 11). Poorer countries tend to be at three times as much risk of war than richer countries. And a large number of violent ethnic conflicts occur in highly backward or underdeveloped regions of multiethnic states. As pointed out in the *Human Development Report 2004*: Ethnic minorities are often the poorest groups in most parts of the world... [T]hey have shorter life expectancy and lower education attainments and other social indicators. They also are most likely to suffer socio-economic exclusion” (UNDP 2004: 65).

Another economic driver of conflict is the perception of relative deprivation by members of an ethnic group. Poverty acquires an additional politicizing force when members of an ethnic group perceive themselves or their communities to be relatively deprived vis-à-vis the dominant ethnic group. Moreover, their propensity to mobilize is heightened when they perceive their socioeconomic marginalization as a byproduct of government neglect and discrimination in access to basic services (e.g., health care, education, credit assistance, and livelihood opportunities).

In many conflict areas, the issue is about the asymmetrical and exploitative relations between the rich/imperial center and the backward ethnic communities in the periphery. Many ethnic minorities resent the use of their areas as “milking cows” of the center and the whole country. Moreover, awareness by members of an ethnic group of the adequacy of their region’s natural resources for their own (ethnic group or regional) survival and development is another known cause of ethnic advocacy for secession in some cases.

Another major economic driver of ethnic conflict is rivalry over control of certain strategic resources like oil and natural gas. Many ethnic conflicts involve areas or regions with vast deposits of important minerals. The involvement of domestic and foreign capital interests in the efforts to exploit these important resources is certainly a major conflict factor.

Capitalist globalization is another major cause of ethnic conflict. Although it is undeniable that globalization

succeeded in producing unprecedented amounts of goods and services, ...it is equally clear that capitalist growth proceeded unevenly between countries and within regions, creating great disparities of wealth and income, and that it has always proceeded cyclically, through euphoric booms and painful busts in every country and region (Wilber 1994).

The positive/negative or boom/bust consequence of capitalist globalization was demonstrated in the spectacular economic growth in identified economic growth centers within capitalist countries, while those in the periphery are falling far behind. Given the weak political and economic power of ethnic minorities, it is likely that they will be among the big losers, not the winners, that globalization creates. This means that ethnic minorities in general will be at the receiving end of the predatory or destructive aspects of capitalist globalization. Hence, the socioeconomic disparities between ethnic minorities and dominant ethnic communities will most likely widen further.

According to Robertson, globalizing or universalizing pressures trigger particularistic responses that include "the current upsurge in various forms of religious fundamentalism and ethnonationalism," which is part of what he calls the "globalization syndrome" (cited in Randall and Theobald [1998: 250]). To Randall and Theobald, "the upsurge in religious fundamentalism and ethnonationalism may highlight the state as the potential focus for resistance to globalizing trends" (Randall and Theobald 1998: 255).

Another important socioeconomic underpinning of ethnic conflict is the competitive relationship between militarization and development (Randall and Theobald 1998: 255). The strong emphasis on the military-oriented national security paradigm by many poor Third World countries is certainly limiting their performance in development administration, particularly in the delivery of basic social services like health care and education. Many Third World governments, including those with no external security threats but facing severe scarcity of resources, are preoccupied with military reputation building and modernization, instead of waging a serious war against the poverty that continues to cripple many of their citizens and communities.

C. Cultural

By definition, a multicultural society “consists of several cultures or cultural communities with their own distinct systems of meaning and significance and views on man and the world” (Parekh 2000: 13). This organizational character suggests that the principal dilemma of governance in multicultural societies is the need to reconcile the legitimate demands of unity and diversity. Effective governance in multicultural societies requires addressing the need for unity and giving due recognition to cultural diversity or differences. In other words, the demands of unity and diversity are not mutually exclusive.

If we look at the situation in multicultural societies impressionistically, the demands of cultural diversity are substantially neglected in many of them. This explains the upsurge or resurgence in such countries of agitational or revolutionary movements based on ethnicity, culture, religion, or identity. Parekh posits that

[a] multicultural society cannot ignore the demands of diversity. By definition, diversity is an inescapable fact of its collective life and can neither be wished out of existence nor suppressed without an unacceptable degree of coercion and often not even then. Furthermore, since human beings are attached to and shaped by their culture, and their self-respect is closely bound up with respect for it, the basic respect we owe our fellow-humans extends to their culture and cultural community as well (Parekh 2000: 196).

The importance of recognizing cultural differences in preventing, regulating, and resolving interethnic conflict is a major theme of numerous scholarly works in the social sciences, including the new discipline of peace studies. It is my view that the continuing neglect of the legitimate demands of diversity or the nonrecognition of cultural differences in many multicultural societies is the major cause of the seeming intractability of conflicts that, according to one scholar, involve “nonnegotiable” items like identity (Gianni 1997). According to Parekh, “minorities have a right to maintain and transmit their ways of life, and denying it to them is both indefensible and likely to provoke resistance” (Parekh 2000: 198). Similarly, Taylor argues that multicultural societies “can break up, in large part because of lack of (perceived) recognition of the equal worth of one group by another” (cited in Gianni 1997). And if we are looking for a legal basis of the demand for recognition of cultural differences, the following argument of Hurst Hannum is instructive:

A fundamental state obligation under international human rights norms is to eliminate discrimination, not to destroy all differences. Recognition of the right to personal autonomy and group identity is essential to ensure that the principles of self-determination, participation and tolerance are allowed to flourish (Hannum 1996, p. 476).

Among the major cultural demands of ethnic or cultural communities are the use of their own local language, the granting of government support for local schools (including religious schools), the adoption of a separate judicial/legal system (e.g., Islamic law), the designation of a traditional homeland, the recognition of local practices, and other cultural identity-related items. Moreover, discriminatory practices and prejudicial relations of members of the dominant group against ethnic minorities are indeed among the cultural precipitants of ethnonationalism.

D. Security

For purposes of emphasis, the issue of security, which is a subject under human rights, is treated separately in this section. Security is a fundamental human need, like physiological, identity, control, and participation needs. When members of an ethnic group perceive their individual and collective security to be threatened, or not assured by the Government's military and police forces, which are usually headed and manned mostly by members of the dominant ethnic community, mobilization to address the resulting insecurities ensues.

Security acquires importance as a conflict factor in conflicts that go through violent or large-scale military confrontation. As demonstrated in some armed ethnic conflicts, the issue of security is of the second-order problem category. It emerges as a problem largely when a particular conflict graduates to the violent phase. When this happens in combination with some of the other conflict factors discussed under the other categories, like government failure to redress basic minority complaints about discrimination, then the formation or revival of minority security forces is likely. And as the state emphasizes the repression of ethnic insurgents ("freedom fighters" to the ethnic community, and "terrorists" to the Government), then the state-ethnic group interface gets more and more militarized, oftentimes brutally. As John McGarry and Brendan O'Leary observe, "repression sidelines moderates, bolsters extremists and obstructs prospects for future accommodation" (1996: 333–341).

The physical insecurities that stem from the militarization of the relations between the state and an ethnic group account for the importance given to the

establishment of local/regional security forces and other related arrangements in many of the peace negotiations in the contemporary period.

IV. Governance in Multicultural Societies

There are two broad approaches by which multiethnic societies deal with their cultural diversity. One is to recognize and accept the fact of their cultural diversity or ethnic heterogeneity and evolve appropriate political and economic structures, processes, and policies. This is the multiculturalist response of contemporary multiethnic countries like Switzerland, Belgium, Canada, and Australia. Even the United States started moving in this direction, indicating its abandonment of the “melting pot” concept. The second approach adhered to by the majority of multiethnic countries is to assimilate their diverse constituent cultural communities into the mainstream culture. This entails forcible subordination or inferiorization of minority ethnic communities to the dominant group, not only culturally but also politically and economically. This is the monoculturalist response.

The increasing number and intensity of ethnocultural conflicts in the contemporary world can be taken to suggest that the majority of multiethnic countries are factually of the assimilationist mold. This also suggests their adherence to the liberal view that the ethnic or cultural attributes of minority ethnic communities will disappear as they gradually integrate to the more “advanced” dominant cultural groups. Southeast Asian societies are among the strong adherents of this flawed approach and adopt a monoculturalist reading of their glaring multicultural character. In this regard, David Brown states:

Despite their cultural pluralism, each of the Southeast Asian societies can derive from their precolonial history an image of a set of dominant cultural attributes and values which form the core for the definition of contemporary nationhood. They therefore seek to portray the culturally plural society as one which is potentially culturally homogeneous, and which already has a cultural core around which nationhood can develop (Brown 1996: 308).

Assimilation as a mode of political integration is inherently unsuited to multicultural societies. Defined as an association of individuals, the assimilationist modern state abstracts away the class, ethnicity, religion, and social status of its citizens, and unites them in terms of their subscription to a common system of authority, which is similarly abstracted from the wider structure of social relations (Parekh 2000: 181). Parekh points out:

The modern state makes good sense in a society that is culturally homogenous or willing to become so. In multi-ethnic and multicultural societies whose constituent communities entertain different views on its nature, powers and goals, have different histories and needs, and cannot therefore be treated in an identical manner, the modern state can easily become an instrument of injustice and oppression and even precipitate the very instability and secession it seeks to prevent (Parekh 2000: 185).

In view of the need to ensure that ethnic minorities assimilate or integrate to the mononational state, control-oriented measures of political incorporation are warranted. These measures are collectively referred to as “hegemonic control,” considered as the most common system of managing ethnic conflict (McGarry and O’Leary 1996: 338–41). Hegemonic control is viewed by its supporters as “the only alternative to continuous war” (McGarry and O’Leary 1996: 340). Since its purpose is to make unthinkable or unworkable any ethnic challenge to the monoethnic or mononational state, hegemonic control entails coercive domination and elite co-optation (McGarry and O’Leary 1996: 338–41). It emphasizes control of coercive instruments like the security and police forces. Moreover, it involves the support of the largest or most powerful ethnic community (McGarry and O’Leary 1996: 338). This makes the multiethnic state an “ethnic democracy,” which, to Sammy Smooha and Theodor Hanf,

differs from other types of democracy in according a structured superior status to a particular segment of the population and in regarding the non-dominant groups as having a relatively lesser claim to the state and also as being not fully loyal. The manifestations of superior status are various but the most important ones relate to entry to the highest offices in the land and to the character of the state (its symbols, official language, religion, immigration policy). They may expressly be written into the constitution and other laws, or incorporated into the unwritten but clear rules of the game (1996: 341).

One unmistakable feature of the contemporary world order is the obstinate refusal of the leadership in many multiethnic states to recognize and accept their cultural diversity and the unresponsiveness of assimilation. Many of them are engaged in the ruthless suppression of ethnonationalism. Stressing this point, Will Kymlicka pointed out that states employed measures like banning the use of minority languages in schools or publications, suppressing political associations promoting minority nationalism, redrawing political boundaries to prevent a group from forming a majority in a region or locality, imposing literacy tests to make it difficult for members to vote, and encouraging massive immigration so that the target group would become overwhelmed or outnumbered. He added:

All of these measures were intended to disempower national minorities, and to eliminate any sense of possessing a distinct national identity. This was justified on the grounds that minorities that view themselves as distinct “nations” would be disloyal and potentially secessionist. And it was often claimed that minorities—particularly indigenous peoples—were backward and uncivilized, and that it was in their own interest to be incorporated (even against their will) into more civilized and progressive nations (Kymlicka 2002: 351).

The growing number and intensity of violent ethnocultural conflicts suggests the bankruptcy of the assimilation policy and its derivative technique of hegemonic control. Thank God, a global trend now indicates that states are veering away from this approach and moving in the direction of multiculturalism. Aside from Switzerland, Canada, Australia, and Belgium, which are known for embracing multiculturalism, a growing number of countries have started implementing cultural diversity-friendly initiatives.

For a society to be multiculturalist, it is not enough that it be multicultural, i.e., consist of several ethnic or cultural groups. As clearly argued by Parekh, the term “multicultural” refers to the fact of cultural diversity, while “multiculturalist” points to the normative response of the society to its multicultural character (Parekh 2000: 6). Hence, many contemporary multiethnic societies can be aptly described as “multicultural but not multiculturalist.”

A multiculturalist society is one that cherishes its cultural diversity and makes appropriate adjustments or responses thereto. In particular, it respects the cultural demands of its constituent communities. It was argued that

no multicultural society can be stable and vibrant unless it ensures that all its constituent communities receive both a just recognition and a just share of economic and political power. It requires a robust form of social, economic and political democracy to underpin its commitment to multiculturalism (Parekh 2000: 345).

The task of making multiethnic societies multiculturalist is indeed colossal. The inherent challenges are obviously daunting. But being an urgent survival imperative in contemporary multiethnic societies, it must be done. And the best way to do this would be to start with the basic aspects. A focus on the political dimension of multiculturalism is in order, particularly the need to evolve a governance formula that is suited to the cultural diversity of multiethnic societies.

It should be stressed that no full-blown formula is available that multiethnic societies can borrow, experiment with, and adopt. Multicultural societies have to go back to the drawing board and reinvent or reconceptualize their political systems. They have to explore new kinds of political structures, processes, and policies that are compatible with their respective circumstances.

As Parekh points out:

The task of exploring new modes of constituting the modern state and even perhaps altogether new types of political formation is particularly acute in multicultural societies. They need to find ways of pluralizing the state without undermining its unity and the ability to act decisively in the collective interest. Every multicultural society needs to devise its own appropriate political structure to suit its history, cultural traditions, and range and depth of diversity (2000: 195).

Parekh adds that the political task for multicultural societies is

to find ways of reconciling the legitimate demands of unity and diversity, achieving political unity without cultural uniformity, being inclusive without being assimilationist, cultivating among their citizens a common sense of belonging while respecting their legitimate cultural differences, and cherishing plural cultural identities without weakening the shared and precious identity of shared citizenship (Parekh 2000: 343).

Given the points or ideas discussed in this paper, the following should be among the features necessary to make politics and governance in multiethnic societies multiculturalist:

- an inclusive or pluralized political system that ensures the equality and participation of all constituent communities, and decentralized/ localized governance (federalism, consociational democracy, or balanced pluralism);
- management of the economy to ensure that all constituent communities or groups receive a just share of economic resources;
- a constitutional/legal system that recognizes cultural and religious differences and provides for some collective rights (protection for cultural/legal autonomy);
- political decision making that provides ample protection for the voice of ethnic minorities; and
- affirmative action policies and programs for minorities.

It is my view that the operationalization of these features would help greatly in addressing the principal underpinnings of conflicts in multicultural societies, particularly government neglect and discrimination in the allocation of resources, lack of participation and control over local or community affairs, lack of or inadequate representation in the central Government, and lack of respect for the right of minorities to be different. The latter includes demands

for a separate legal system, separate educational system, and the power to come up with local policies warranted by the cultural groups' otherness or peculiarities. In other words, the above features have a bearing on issues associated with politics of redistribution or social justice and identity politics or politics of recognition that are at the core of many violent ethnic conflicts.

V. The Philippine Situation

Given the above features, and in the context of Mindanao, is the governance in the Philippines multiculturalist? Regrettably, I think it is relatively far from being multiculturalist, although it may be aptly considered "on the road to multiculturalism," given the recent cultural recognition-oriented initiatives of President Gloria Macapagal Arroyo and her major socioeconomic development programs in the Southern Philippines (including the depressed Moro communities) under the 2004–2006 Mindanao Investment Program. But although these recent cultural diversity-friendly initiatives of the Arroyo administration are indeed encouraging political developments in the context of multiculturalism, generally, the Philippine state, like many other modern states, remains preoccupied with ensuring national political and cultural homogeneity. Despite some initiatives in regional and local autonomy and decentralization, governance in the Philippines remains substantially assimilationist and continues to emphasize hegemonic control and the derivative techniques of coercive domination and elite co-optation.

The Autonomous Region in Muslim Mindanao (ARMM) has been in existence since 1989. Territorially, the present ARMM based on the new autonomy law (Republic Act [RA] 9054) is slightly larger, with the addition of Basilan to the original four provinces (Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi) and Marawi City.

The ARMM has its legislative, executive, and judicial branches. It has its own administrative system and some degree of fiscal autonomy. The Arroyo administration has started implementing the provisions of RA 9054 on Moro representation in the central Government by appointing Muslim leaders and professionals to certain positions in some national agencies. Moreover, the Philippine Government has completed the integration of 7,500 qualified Moro National Liberation Front (MNLF) combatants into the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP). Some socioeconomic development programs were implemented in the region by foreign aid providers and the national Government, while others are presently being implemented. Many other gains or accomplishments have been made under the present regional autonomy experiment in Muslim Mindanao.

However, the continued persistence of the Moro armed struggle can be taken to suggest that the existing governance system for the region (i.e., Muslim Mindanao) has not been responsive. Despite the reported grandiose socioeconomic development programs for the Southern Philippines, the five predominantly Muslim provinces have remained the country's poorest. In 2000, i.e., 4 years after the signing of the Government of the Republic of the Philippines-MNLF Peace Agreement, the region has the worst poverty index.

Reflective of the Government's continuing assimilationist thrust and a heavy slant toward hegemonic control techniques are some cultural diversity or identity-related issues. One is the too limited jurisdiction of the *Shari'ah* (Islamic law) courts, i.e., only persons and family relations. The establishment of the *Shari'ah* Appellate Court, which was mandated by the old and new autonomy laws, has remained unimplemented. Another issue is that despite the completion of the integration of 7,500 qualified MNLF combatants into the AFP and PNP, the Special Regional Security Force of the PNP and the regional command of the AFP for the ARMM, which were expected to have substantial Moro elements mandated under the old and new autonomy laws, have remained unimplemented until today. The taxing powers of the region are hollow because, aside from the widespread poverty in the region, no significant national taxing powers were transferred to the ARMM. The control-oriented governance of the region is indicated by the emphasis in the old and new autonomy laws (RA 6734 and RA 9054, respectively) on the limitations of the powers of the ARMM. Like RA 6734, many of the provisions of RA 9054 have to do with what the ARMM cannot do, instead of what it can do.

As pointed out earlier, despite the gains and accomplishments made with the current unitary regional autonomy experiment in Muslim Mindanao, governance in the Philippines cannot be classified as multiculturalist. What has been achieved so far is largely in the nature of formalistic compliance, not substantive compliance, with the requirements of multiculturalist governance. The gains are largely in those aspects with significant co-option functions (e.g., appointment of *mujahideen* [Moro fighters] leaders to some government positions, integration of MNLF combatants into the AFP and PNP). It should be noted that the core issue of autonomy as a policy response to ethnic conflict is the right of the minorities to be different.

But these gains and accomplishments, while largely formalistic, can be made to lead to the desired multiculturalization of the country's governance. I wish to stress that autonomy as a policy response to ethnic conflict is a significant phase of the cultural diversity-friendly interventions continuum. In the initial phase of the road toward multiculturalist governance, the task at hand is how to make the current autonomy experiment in the Southern Philippines succeed and lead to more responsive, nonviolent, and nonsecessionist

politico-administrative alternatives (with federalism as a more promising option). In other words, the present ARMM may be operated as an effective transition structure toward that goal.

I am of the view that the autonomy option is a significant initial policy response. In other words, despite its inadequacies, the autonomy formula embodied in RA 9054 can be taken as a good beginning of a work in progress, i.e., evolving a more responsive and durable formula that ensures the territorial integrity of the country and addresses the principal Moro grievances underpinning the conflict. It is a must that we fully utilize what we now have, such as the new autonomy law, the new ARMM, and other autonomy-related institutions and resources at all levels of government. All doable and deliverable aspects of RA 9054 must be fully implemented. As to the items not addressed in RA 9054, like those matters associated with the cultural diversity of the country (such as the clamor for the broadening of the jurisdiction of Shari'ah courts and the provision of financial support for the *madaris* [Islamic scholars]), I think they should be part of the potential reform thrusts in the future, as we go on with our autonomy experience. The current peace process between the Philippine government and the Moro Islamic Liberation Front (MILF) provides a good opportunity to address these neglected but significant items. Moreover, initiatives to enrich the existing autonomy law or evolve a more responsive politico-administrative setup like federalism can be done simultaneously with efforts to implement fully the many doable and deliverable aspects of RA 9054.

It is my view that the current nationwide advocacy of federalism, which has been gaining momentum over the years, is a significant step in the efforts to make governance in the Philippines genuinely multiculturalist. A genuinely multiculturalist governance will make secession and armed struggle baseless and unnecessary, and transform the Philippines into a vibrant multicultural society that will provide authentic peace and holistic development for all of its constituent cultural communities, including its ethnic minorities.

VI. Concluding Statements

The increasing number and intensity of ethnocultural conflicts in the contemporary world suggests not only the limitations of the "one size fits all" and reductionist theories of governance. It also implies an acute deficit in academic theorizing about multiethnic societies. In particular, while there are theories of the liberal capitalist state or the Marxist state, there is no available coherent theory of politics and governance in multiethnic societies. Similarly, while there are theories or models of public administration in developing or transitional societies, there is no theory of public administration in multiethnic states.

Although the societal context of politics and governance is given considerable emphasis in the literature on political science and public administration, it should be noted that many of the related scholarly works are of the cultural homogenization model. The societal context in which governance or public administration is embedded is assumed to be homogeneous. The various cultural communities are governed through the prism of the dominant culture. In other words, the cultural heterogeneity of multiethnic states is ignored, thus leading to unresponsive policies and programs. As explained in the foregoing sections, this flawed approach spawned not just the lack of development but also the lack of peace in multiethnic societies.

Given the above points, politics and governance in multiethnic societies need reconceptualizing, reinventing, or reengineering to address the requirements of their ethnic heterogeneity. This means that the “customer-attuning” concept, one of the new ideas associated with New Public Management, has to be brought to a higher level, i.e., beyond the bureaucracy. We need political structures, processes, and policies that are suited to the needs and requirements of the various ethnic or cultural groups in multiethnic societies. This is public sector reengineering at the macro level.

It is my view that the recommended shift from the policy of assimilation or homogenization to multiculturalism has the potential to make governance in multiethnic societies “governance for all,” including the ethnic minorities therein. It will also make governance in these societies “governance for both development and peace.” When this is operationalized, public administration becomes an enabling or capacitating instrument, not an apparatus of hegemonic control and coercive domination that provides neither development nor peace.

Helping hasten the required paradigm shift in theory and practice is indeed a significant task for scholars in political science and public administration in the Asia-Pacific region.

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MARY BREEDING

Citizen Empowerment through Participation in the Context of Poverty Alleviation

Victoria A. Bautista¹

The plenary papers in this panel talked about the requisites for people participation, the problems that could constrain participation, the forms of participation, and the lessons learned from the different papers shared in the forum.

I. Requisites for People Participation

A. Requisites

On the requisites of people participation, it was argued that building social capital to meet the requirements of mobilizing people's participation in governance is a must. This should be undertaken for various stakeholders who will assume the responsibility of forging popular participation. This should involve the politico-administrative bureaucracy, nongovernment organizations (NGOs) that carry out development work, and even the community members themselves.

With respect to government and NGOs, a preliminary step is to develop “inspired leadership,” with a vision, mission, goals, defined strategies, systems, and procedures that prioritize the poor; and value commitments that foster collaboration, trust, open communication, and power sharing. Dealing with the problems of poverty should be done in a convergent way and this cannot be pursued if there is no willingness to share responsibilities and no trust in what the other stakeholders could do. Collaborative work should be undertaken at the different levels of the bureaucracy—both national and local. This can only be maximized if a decentralized structure is set up within the governmental system, to ensure that local government units are given a role to play in decision making about the problems of poverty, and to harness the community directly for interface in governance. Community groups can also be encouraged to operate in a convergent way—for the problems of poverty involve multiple sectors and are interdisciplinary in character.

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B. The Ideal Form of Participation

A participatory governance perspective is best implemented if the technology of participation is not “coerced” or “induced” but rather undertaken through “voluntary” means, to ensure that the members of the community feel an ownership of decisions. This implies that mobilization of the community should be carried through by means that will motivate the community members to appreciate the value of their engagement in the decision-making process rather than providing “inducements” or “tokens” to involve the community. Such inducements cannot ensure sustainability of involvement if community members see themselves as being engaged because of the rewards they obtain from the development agency for their participation.

C. What Development Agencies Should Possess

The development agency that steers community participation should have awareness and sensitivity to the economic and psychological difficulties of the community. Being illiterate, with poor socioeconomic standing, and having diverse cultural backgrounds means varying requirements for development intervention. Thus, apart from meeting the requirements of the poor to uplift their condition, some more primary requirements to address basic needs have to be met, like improving literacy to enable them to make decisions and facilitate economic productivity, and, developing programs for economic productivity such as agrarian reform and microfinance.

The panelists see the importance of giving preferential treatment to marginalized groups like women, children, youth, persons with disabilities, and senior citizens. Some countries, though, such as India and the Philippines, have indicated prioritization of these sectors, both at the national and local levels.

D. Some Mechanisms to Enhance Popular Participation

Several strategies have enhanced community empowerment in various countries. One is the involvement of marginalized sectors in the different structures, as has occurred in India and the Philippines.

Another form of participation is the setting up of community-based information systems, where the citizens are themselves involved in gathering information using a set of indicators that becomes the basis for rational decision making by the families/individuals targeted for the intervention; the

identification of plans that will be undertaken based on the indicators gathered; and the use of these indicators to monitor the progress of the poor in the community. In other words, the community members are the ones who identify what programs and projects are responsive to their needs. However, this form of participation is not prevalent. The dominant practice is for the community to be mobilized to facilitate the transfer of “defined” programs or services by the development agency.

Some countries have harnessed information and communications technology to pave the way for the community to make demands by demonstrating what government is doing—for instance, the setting up of e-participation projects in Taiwan, China and Indonesia.

E. Requirements to Enhance Community Capacity

To provide communities with the effective capacity for engagement in governance, the communities themselves need to appreciate the dimensions of poverty—why it has come about and the role of the community in responding to the problems of poverty. While the development agency prepares for the mobilization of the community, it should be sensitive to cultural dynamics, e.g., the role of religious leaders in mobilization and an appreciation for the cultural requirements of the community. Community members could themselves be tapped for this role; it need not be the sole responsibility of the development agency. Thus, preparing community mobilizers for political skills and self-expression becomes a responsibility of development agencies that espouse the posture of participatory governance. Nonmaterial forms of motivation must be encouraged over material incentives in steering the participation of community leaders.

II. Constraints to Participation

Diverse socioeconomic standing and cultural backgrounds can slow down the process of mobilization. Development agencies should be sensitive to varied profiles of the poor and marginalized groups that they deal with, and these should factor into the process of mobilization.

Furthermore, as community leaders are being tapped to participate in various spheres of decision making in governance, mobilizers should veer away from confining leadership to just a “few individuals.” Mobilizers should be apprehensive if only a few people in the community become involved in decision making.

Development agencies should veer away from the tendency to promise material and financial incentives, as this can lead to lack of sustainability. The “promise” of rewards cannot ensure continuity for programs and projects, as community members will not be moved primarily through personal initiative or volition.

In fact, one study of foreign funding institutions demonstrates that these institutions (i.e., those that tend to offer material incentives) tend to define projects that are not useful/relevant to the community.

III. Trends in Participation

The ranges of popular participation among the country participants in the workshop varied. Paper presentations showed that popular participation has evolved into different forms, signifying the maturity of people’s interface with governance.

For instance, one form of engagement is the type of participation that is manifested in political-administrative processes. Most of the papers have veered away from mere involvement in political/electoral processes to those that demonstrate engagement in development management.

The second shift is to harness participation from individual expression into collective effort. This is demonstrated by the cases of Pakistan, India, and the Philippines.

The third shift is the identification of leader participants in development processes. This has shifted from development agency initiative to the role of community members themselves.

The fourth shift is from mere participation of community members in the implementation of programs/projects to engagement in policy formulation/planning/decision-making processes in development, or spelling out the direction of the projects in the community.

Some issues regarding participation were raised:

- Individual participation is the first stage of citizen-development agency engagement, as individuals learn or are convinced of the value of participation, prior to being equipped with the knowledge of and readiness for collective involvement.
- Participation of community members is more effective in organized groups than through the conduct of mass assemblies.
- Participation in policy formulation and planning processes is critical for empowerment, as community members should decide their own

direction, rather than accepting/adopting packaged programs or projects decided upon by the development agency.

- It takes a greater effort to convince the most impoverished to participate, as participation could affect their livelihood/sustenance.

IV. Lessons Learned Regarding Citizen Participation

From the papers shared in the workshops and the discussions of the different participants, the following lessons were drawn regarding popular participation in governance:

- To ensure empowerment, participation should not be “token.” Programs and projects should not be “dictated” to the community, but should be identified through the community’s collective effort.
- The community’s interface with government/NGOs also brings about a transformation of citizens, as they undergo a change in attitude (learning self-reliance) and skills (i.e., dealing with government and development agencies and serving as agents of change).
- The government or NGO that initiates community mobilization is also transformed by learning from the community about their indigenous technologies and obtaining resource support from the community (i.e., manpower and material support) to decide on and implement programs and projects.

Sectors other than NGOs must be fully harnessed in the process of empowerment and as partners of development, such as private businesses and other civil society groups (i.e., universities, religious organizations).

A State of Learning: Strategies for Reducing Social and Economic Disadvantage at the Personal, Local, and State Level

Jennifer Lauritsen¹

I. Introduction

Adult community education is a fundamental avenue for individuals to gain the knowledge and skills required to live in a modern, complex society. For many adults, an introduction to information and communication technology is necessary to enable them to participate more fully in the community. For many other adults, acquiring basic literacy and numeracy is the necessary first step toward ongoing learning and development. Whole communities are transformed by sustained educational programs that are developed to engage stakeholders in developing or renewing aspects of the community.

In the global information economy, in which information and knowledge have replaced financial and physical capital as the means of creating value, nations and enterprises are reliant on an educated and skilled workforce to maintain productivity in order to meet global market challenges. Likewise, individual workers need to constantly upgrade their skills and qualifications to obtain and remain in employment (Cummings and Jecks 2004: 8).

This paper outlines the trends affecting the South Australian labor market, with particular emphasis on persons disadvantaged by current trends. After outlining the policy responses of the state government to these issues, the paper provides an overview of community education activity occurring in the state and identifies a number of limitations associated with its delivery. Finally, a number of policy options and possible strategies aimed at enhancing adult learning activities and increasing their effectiveness in reducing social disadvantage are identified.

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II. A Changing Landscape

As national economies have been increasingly integrated internationally, their currency systems, import and export patterns, production capabilities, and foreign investment arrangements have been drastically transformed. These changes, along with those to financial, goods, and services markets made possible by new communication and production technologies, have significantly altered the nature and distribution of employment. Trade liberalization and the relocation of manufacturing enterprises to developing countries have changed traditional employment patterns in industrialized countries and created manufacturing work in industrializing countries.

In the small market economy of Australia, as in other industrialized nations, some of the more significant labor market effects associated with economic globalization have arisen from shifts in the nature of goods and services produced and the expansion of new information and communication technologies. Employment growth in the service sector is the primary form of job generation. In South Australia, for instance, over 90% of all new jobs created during the past 2 decades were in the service industries, including property and business services, health care and community services, retail trade and accommodation, and cafes and restaurants (Spoehr 2003: 71).

Associated with increased employment levels in the service sector is the introduction of diverse forms of employment and employment contracts, which have been facilitated by new information and communication technologies. The employment consequences of these technologically driven developments register as shifts in labor demand, skill-based occupational segmentation, increased flexibility of employment contracts, and decentralization of employment relations. In conjunction with these trends, intransigent levels of unemployment, new forms of nonstandard employment arrangements,² and the widening of income distribution have emerged as the most pressing labor market concerns of postindustrial societies. The impact of these trends varies between and within nations, according to demographic, social, economic and industrial differences.

A. The Profile of the South Australian Labor Market

Within the Australian economy are considerable differences between the individual states and territories. With a population of 1.5 million, South Australia is a relatively small regional economy, with a gross state product of

² Nonstandard or "atypical" employment includes diverse forms of employment arrangements outside the full-time, permanent model.

\$35.76 billion in 2002–2003. While the economy was initially based in agriculture and mining, moving to a strong manufacturing base in the mid-1900s, it has undergone considerable diversification during the past 4 decades as it has adjusted to the pressures of economic globalization. In 2003–2004, the major export commodities included wine; road vehicles, parts and accessories; and metals and metal manufactures. The major export destinations were East Asia (30.2%), the United States (18.3%), and Europe (16.1%) (Department of Trade and Economic Development 2004). Advances in bioscience and information and communication technologies during recent decades have increased the state's profile as a center for innovation with a strong research and development base.

South Australia has a small labor force and a below-average participation rate. While 28,800 jobs were created between March 2002 and September 2004, the seasonally adjusted unemployment rate of 6.0% in September 2004 was slightly above the national average. At that time, the youth (15–19 years) full-time unemployment rate of 24.8% was also higher than the national average and the highest of all states and territories (DFEEST 2004b). Due to a traditionally lower rate of population growth and a higher average age, the South Australian workforce is aging at a faster rate than the workforce in most other states and territories, and the labor force participation rate is decreasing as the population ages (Banks 2004).

At the time of the last Population Census conducted by the Australian Bureau of Statistics (ABS) in 2001, the median age of workers in the South Australian workforce was 38.2 years, compared to 36.1 for the Australian workforce (ABS 2001). Certain regions of the state have an even older average age. For instance, in 2001 the average age in the Statistical Subdivisions of Fleurieu and Yorke was 42 years, compared to the statewide average of 38 years. Throughout the state older workers have been leaving the labor market, both voluntarily and involuntarily, and tend to have higher rates and longer duration of unemployment.

In the July 2004 quarter, the unemployment rate for older unemployed persons was 3.7%; however, this figure does not include unemployed older people who are carers and those receiving disability assistance who are seeking paid employment (ABS 2004). When these figures are taken into account, the estimated true unemployment rate (including the hidden unemployed) is 15.3%. In the July 2004 quarter, just over 40% of all older (45 years and older) unemployed people in South Australia had been unemployed for 1 year or more, compared with less than 23% of the total pool of unemployed South Australians. Also in the July 2004 quarter, the average duration of unemployment for older unemployed people in South Australia was 122 weeks, compared with 58 weeks for all ages (ABS 2004). This has consistently been the case for the past 20 years.

As illustrated above, a great deal of variation is noticeable in comparisons between particular sectors of the labor force and between different regions across the state. For instance, in 2001 regional unemployment rates ranged from 2.5% in the Upper South East Statistical Subdivision (SSD) to 13.2% in Whyalla SSD. At that time, the unemployment rate in South Australia was 7.6%. The unemployment rate of indigenous persons, which was 20.5% for the state, varied from 6% in the Barossa SSD to 39.6% in the Pirie SSD. Nonmetropolitan regions also registered the highest rates of youth unemployment. In 2001, youth (15–19) full-time unemployment rates ranged from 7.4% in the Upper South East SSD to 47% in the Whyalla SSD, by comparison with a statewide average of 28.2%. Across the state, 9,400 young people aged 15–19 are currently not working and not studying full-time, and are considered at risk of experiencing long-term problems in the labor market (DFEEST 2004a).

This snapshot of particular groups within the South Australian labor market indicates some degree of disparity in the accessibility of employment in various regions of the state and among different sectors of the labor force. In particular, it illustrates that young, mature age, and indigenous persons have greater difficulty securing and remaining in employment and that these difficulties are exacerbated in certain regions of the state. While it is beyond the scope of this paper to undertake a detailed analysis of the reasons for these differences, some correlation no doubt exists between the volume and nature of employment available and both the level and currency of the skills of individual job seekers.

South Australia has a lower proportion of persons with post-school qualifications and lower skills than other states, plus a smaller proportion of knowledge workers in particular. Labor market projections indicate that the fastest-growing occupations³ will be those that require high levels of literacy, communication, and problem-solving skills, along with ongoing professional development to maintain the knowledge and skills required by the growing information economy.

In response to concerns of industry and community groups across the state regarding the skills development needs of the existing and potential labor force, the South Australian government commissioned a high-level inquiry in November 2002. The inquiry identified a range of opportunities and strategies for improving the skills formation system to ensure that the South Australian labor force is equipped to fulfill the skills requirements of a changing labor

³ The fastest-growing occupations over the next 8 years will include business and information professionals (3.3% increase) business and administration associate professionals (2.8% increase), and specialist managers (2.2% increase) (Centre of Policy Studies 2004).

market. The inquiry noted the importance of working with other systems, including knowledge and innovation systems, industry policy, social inclusion strategies, and community renewal in developing a workforce development strategy for South Australia. It proposed that one aim of the strategy would be to increase the supply of skills by opening new pathways for young people and other disadvantaged sectors of the local labor force (Government of South Australia 2003).

As a result of the findings of the Ministerial Inquiry *Skills for the Future* Report, the Training and Skills Development Commission was established to work in conjunction with the Economic Development Board and the Social Inclusion Board. The intended outcome of this collaboration was to support the conditions of sustained economic growth and ensure that its benefits were shared equitably throughout the state to improve the quality of life of all citizens. Relevant aspects of these initiatives are outlined in the next section.

B. Responses of the South Australian Government

The first recommendation of the *Skills for the Future* Report (Government of South Australia 2003a: 42) focused on the role of the state government in facilitating the development of a high-performance workforce by 2010, through the following measures:

- increasing the demand for higher-order skills from large and small companies, and increasing the demand for skills from individuals;
- improving the alignment and adaptability of the training supply and ensuring that development opportunities are available to all South Australians in the workforce, especially those most disadvantaged; and
- providing a whole-of-government framework, which promotes the development of a skilled workforce to support innovative firms and strong economies and labor markets throughout South Australia.

The Training and Skills Development Act 2003, which came into operation in July of that year, established the Training and Skills Commission for the purpose of furthering the state's economic and social development. Under the objectives of the Act, the Commission is charged with assisting the Minister in "identifying strategies and priorities to meet the State's current and future work skills needs through education, training and skills development" (Government of South Australia 2003b). In order to meet this objective, the Commission is formulating a Workforce Development Strategy that aims to

- increase the capacity of all workplaces to identify and respond to their workforce planning needs,
- increase opportunities for individuals to participate in meaningful ways in the workforce, and
- ensure that education and training institutions provide flexible and responsive learning opportunities to assist the current and emerging skill needs of the South Australian workforce.

To assist the Commission in responding to recommendations in the *Skills for the Future* Report regarding the government's role in supporting the community sector in developing workforce skills, the Act legislates the establishment of a reference group for this purpose. The role of the reference group is to advise the Commission on matters associated with the performance of its functions relating to adult community education (ACE). While the ACE sector has a strong history of providing accredited and nonaccredited learning opportunities across the state, the inquiry found that

government needs to acknowledge more [fully] the contribution ACE makes to improved learning outcomes and build the capacity of the sector to play a more substantial role in skills formation in South Australia (Government of South Australia 2003: 46).

In March 2004, South Australia's strategic plan *Creating Opportunity*, which focuses on building the foundations for a stronger economy and stronger community, was released. By setting a number of targets that aim to increase the range of skills formation opportunities and widen the access to these opportunities, the strategic plan supports the implementation of the recommendations in the *Skills for the Future* Report. The targets in the plan are consistent with objectives pursued by the State's Economic Development Board, which prioritizes the role of education and training in the future development of the South Australian economy and community (Economic Development Board 2003). Likewise, the Social Inclusion Board, another initiative of the current government, has focused on a range of strategies for dealing with the causes of social exclusion. These strategies include improving the accessibility of education and training opportunities for young people who experience particular forms of disadvantage due to geographic, cultural, ethnic or social reasons (Social Inclusion Unit 2004).

Three of the objectives in South Australia's strategic plan *Creating Opportunity* are particularly relevant to the issues discussed in this paper, because of the existing and possible new initiatives that are, or will in the near future, address employment and skill formation issues in the state. The next section of

this paper will focus on the current community education initiatives that are either delivered or funded by the South Australian government. This discussion will be situated in the context of current national priorities in this field and will draw on international developments that have influenced community education activity in the state.

C. The Policy Context

The coordination of national policy development on vocational education, training, and employment and the linkages between labor market programs and education and training, adult and community education, and youth programs has been led by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) since its formation in 1993. The Council is also responsible for higher education, secondary education, and pre-primary and primary education.

In 2002, when the Council released the Ministerial Declaration on Adult Community Education, it emphasized the importance of ACE as a pathway to further education and training for “second chance” learners and recognized the role of community members in building the capacity of their communities. The Declaration acknowledges that the future of sustainable societies is dependent on citizens acquiring the necessary knowledge, understanding, skills, and values to live a rewarding and productive life in an educated and just society. In a society with an aging population and declining birth rates, governments are encouraged to address the ongoing educational needs of all ages. The Declaration states that “boosting the skills, knowledge, capability and understanding of all people has become a goal for governments in all modern industrialised societies” (Ministerial Declaration on Adult Community Education August 2002: 2).

The promotion of ongoing adult learning had its conceptual basis in the mid-1960s in discussions and documents produced by the United Nations Educational, Scientific and Cultural Organisation (UNESCO), of which Australia has been a founding member since 1946. The original notion envisioned lifelong learning as a means of increasing individual earnings and personal fulfillment and in turn reducing social disparity caused by inequitable access to educational opportunities and income equality. Three decades later, at the fifth international conference on adult education organized by UNESCO in Hamburg in 1999, a new vision of adult learning saw lifelong learning as a means of strengthening the role of civil society in responding to the challenges of the 21st century. Recognizing the necessity of an active and informed

citizenship in dealing with the health hazards, ecological risks, economic crises, and cultural dangers like racism confronting nations and their individual members, the conference called for urgent action to ensure that today's citizens acquire the skills required to address today's issues:

The citizens need *now* to enhance their capacity to take initiatives, need *now* to acquire new skills... It is necessary to provide learning opportunities for the present generation of adult men and women. Adult learning has become a central issue. It has become clear that the learning capacity of human beings, the unfolding of human potential and the opportunity to continue learning throughout life are central to the task of shaping the new century and the new millennium. The autonomy, the creativity and the self-expression of all citizens are not only the objectives but also the conditions of democracy (UNESCO 1999).

Two distinct aspects of adult learning are identified in this brief reflection on national and international perceptions of it. They are, first, the importance of individual members of society acquiring the skills and information necessary to participate in the social, economic, and cultural dimensions of that society, so that, second, they can use the relevant knowledge and expertise to contribute to building sustainable responses to contemporary social issues. Understood in this way, these two elements of the purpose of community education are integral to one another, but they may also be mutually exclusive, depending on the particular needs, interests, and aptitude of the individual. This is an important distinction, given the contemporary view that the provision of community education is client-centered with sufficient flexibility to be customized to serve individual, community, and enterprise requirements.

III. Community Education Activity in South Australia

An overview of community education activity currently occurring in South Australia provides a range of examples that demonstrate the individual and collective dimensions of this activity. For the purpose of this discussion community education is defined as activity that

- imparts knowledge and skills that benefit individuals and communities at a personal, social, professional, economic, cultural, and organizational level;
- informs the awareness, perception, attitudes, behavior, and lifestyle options of individuals or sectors of the community;

- is inclusive and accessible to all those who may seek it;
- incorporates material that matches individual, community, institutional, and organizational requirements; and
- uses flexible delivery methods that are responsive to individual and community needs.

A. Adult Community Education Sector

The ACE sector, which is funded by the state government to offer organized learning opportunities in community settings, is the primary agent for the provision of community education in South Australia. ACE funds a range of community-owned and -managed not-for-profit organizations, including community organizations, neighborhood houses and community centers; churches, schools and community health agencies; social and sporting clubs; and centers for specific cultural, demographic, or social groups to obtain community education. Registered training providers and institutions such as the Workers Educational Association of South Australia and the Technical and Further Education (TAFE) Institutes also deliver ACE programs.

The availability of courses provided through ACE is very broad and can range from basic literacy to post-degree professional development (Clemans, Hartley, and Macrae 2003: 7). General agreement about the difficulty associated with measuring the impact of ACE is based on an understanding of the sector as a client-focused one in which the main providers are community organizations, which do not necessarily target particular groups. For instance, a mapping of the ACE sector in South Australia found that community organizations “do not differentiate their clients into specific target groups. Their focus is for *“all”* members of the community” (ACE Unit 1996: 20). Notwithstanding this fact, the report also found that unemployed persons and women tend to predominate in ACE activity. These findings correlate with those of a more recent study by Harris and Simons (2003: 6), who show that in 2001, 10.4% of all ACE participants in South Australia were unemployed and seeking employment. These authors (Harris and Simons 2003: 6) also note that numbers of participants have increased 25% since 1999. This trend is evident in a 38% increase in the number of classes, a 32% increase in class enrollments, and a 48% enrollment increase in rural and remote areas.

Measuring ACE outcomes is problematic for a number of reasons. Recent studies (Clemans, Hartley, and Macrae 2003; Harris and Simons 2003; Bradshaw et al. 2001) on the impact of the ACE sector demonstrate its effectiveness in attracting disaffected and disengaged sectors of the community and its contribution in building both human and social capital. Estimating

the precise nature and volume of ACE outcomes is very challenging, because, as mentioned above, the sector simultaneously defines its client base as individuals and the community and does not differentiate between sectors of the community. In addition, individual education activities may have a range of outcomes and individuals have the choice of a range of pathways to pursue personal and professional development (Clemans et al. 2003: 29). In an effort to capture the richness that ACE activity creates for individuals and societies, Clemans et al. developed the following framework that summarizes ACE outcomes in terms of individual, community and economic development (Table 1).

Table 1: Framework for Conceptualizing ACE Outcomes

Outcomes	Learning to know	Learning to do	Learning to be	Learning to live together
Individual development outcomes	Breadth and depth of content and subject knowledge understanding	Enhanced skills for taking action	Growth in well-being and self-awareness	Strong and harmonious social relationships
Personal domain	Knowledge of self, the world, and how to learn	Skills for living in the private domain of family, friends and personal interests	A healthy, mature self-concept in private life	Supportive connection in personal settings
Public domain	Knowledge of democratic community life	Skills for democratic participation in the public domain	A healthy, mature self-concept in public life	Supportive connection in community settings
Work domain	Knowledge of work and work places	Skills for finding and sustaining voluntary and/or paid work	A healthy, mature self-concept in workplaces	Supportive connections in workplace settings
Community development outcomes	Collective knowledge and understanding of community life	Skills for joint action to develop community life	A purposeful local community with a strong identity	A community that values and embodies diversity, trust and reciprocity
Economic development outcomes	Local knowledge and understanding of economic life	Skills to develop local economies	An innovative and sustainable local economy	A confident local economy that prospers by making the most of its diversity

Source: Clemens et al. 2003: 39.

B. Publicly Delivered and Funded Community Education

In addition to the work of the designated ACE sector, individual South Australian government departments deliver and fund a broad range of community education activities, including seminars, workshops, training sessions, community education programs, professional development, and community capacity building. While a large proportion of the 13 government departments and their myriad of agencies and branches are engaged in delivering or funding community education as defined earlier in this section, this activity is neither recorded nor coordinated on a statewide basis in any particular way. As a consequence, duplication of services is unavoidable and opportunities for collaboration are lost.

In addition to the range of community education activity that government departments provide, a number of departments also make funding available to individuals, groups, and organizations to develop or participate in skills development of various kinds. Funding is available for particular target groups to assist them to gain personal and professional skills that they may in turn use to increase their community involvement. Funding opportunities that support groups and organizations with a particular client, cultural, or technical focus are also provided by individual departments, in accordance with their designated function.

The above discussion highlights a number of issues associated with the provision of community education in South Australia. One major challenge is the need for a more coordinated approach to the delivery and funding of this activity across the state. The development of appropriate infrastructure to support this coordination is necessary in order to increase the effectiveness of existing activity, reduce duplication, identify gaps, and develop appropriate strategies for overcoming shortcomings in the current range and delivery of community education activity. In the absence of this coordination, promotion, marketing, and the provision of information to potential participants, providers, and referral sources is fraught with complexity (DFEEST 2004a: 20).

A second major issue is related to the capacity of providers to reach the most disadvantaged sectors of the community. Targeting programs to the needs of particular individuals and groups demands specific expertise, knowledge, and resources that may not be available to the provider. According to recent studies, including a Senate enquiry into Australia's ACE sector in 1997, the main groups not participating in ACE included those who were most disadvantaged, i.e., unemployed persons, indigenous Australians, older people, and persons with low levels of education (Senate Employment Education and Training References Committee 1997). Likewise, the *Skills for the Future* report found that particular sectors of the South Australian community, including

early school leavers, unemployed persons, those working in small firms, those working at lower skill levels, or those living in regional areas are least likely to participate in skills development opportunities. The Inquiry stated: “It is very clear that not everyone is benefiting equally from economic and workforce change or from the existing skills formation system and that individual access to training in South Australia is very unequal” (Government of South Australia 2003: 35–36).

A number of policy implications arise from the above analysis, particularly in developing effective ways of engaging the most disadvantaged sectors of the community or regions of the state in learning activities. The final section of this paper will discuss the policy implications arising from the above analysis and explore possible initiatives that respond to the issues that have been identified. The initiatives will be discussed in relation to their effectiveness in contributing toward achieving relevant targets enunciated in South Australia’s strategic plan.

IV. Policy Implications

General measures designed to reach the South Australian government’s goal of building the foundations for a stronger economy and stronger community have been discussed in section II of this paper. After a description of the policy context in section III, section IV discussed existing community education activity and identified a number of gaps that militate against the achievement of these goals. Initiatives for overcoming the fragmentation that exists at the skills development policy and program level are urgently required to develop a “more integrated, collaborative and coherent approach” that capitalizes on the capacity and goodwill within the relevant agencies and organizations (Government of South Australia 2003: 38–39). This imperative corresponds with the widely recognized need for individual societies to reconceptualize their attempts to educate, engage, and empower their citizens in order to assist them to live creatively in a technologically sophisticated global economy. The remainder of this paper will explore the policy framework for a range of community education strategies that are intended to produce personal, community, and economic outcomes that support the development of a more socially inclusive society.

The traditional role of government in skills development has concentrated on providing general, technical, and vocational education and training through publicly funded institutions. Policies have been formulated to provide guidance in maximizing the use of resources and in administering training levies and grants. In the new knowledge-based economy, developing the culture of learning

has become an important government priority, so that learning is valued as a community activity and is fostered as a social value. Providing the conditions to develop a “learning economy” is seen by some authors (e.g., Cummings and Jecks [2004: 37]) as a means to generate wealth through ensuring that individuals learn how to learn and share innovation.

The development of a culture of learning occurs in conjunction with the development of learning communities, which promote learning as a value in itself and foster opportunities for learning through community, government, and industry partnerships. In South Australia, learning communities are being established in towns and cities experiencing high levels of social disadvantage. In these communities, citizens are identifying the barriers to participation in learning and promoting the importance of community engagement in the process of developing the foundation of an effective learning community (Carpenter 2002: 18, Cooper Consultancies 2002: 9). Strategies that will enable these communities to prosper socially and economically and that will facilitate the development of other learning communities throughout the state will be instrumental in achieving objective four of South Australia’s strategic plan.

A. Objective Four—Fostering Creativity Through Developing Creative and Innovative People

A major policy challenge in building and sustaining a culture of learning is to develop methods of integrating the provision of learning opportunities in the places where these opportunities are most prominent, i.e., formal and informal educational institutions, the workplace, and the community. Providing the human and financial resources to support this integration is another aspect of this challenge. Policies that identify the administrative and legislative barriers to this integration are the first step toward ensuring that learning and skills development become a priority at the state, regional, and local levels. Policies that support the joint investment by individuals and their employers in continuing training and skills development will build a learning culture in the workplace.

Similarly, policies and strategies that promote systematic pathways through the educational, employment, and community sector will assist individuals to progress through each sector at the various stages of their personal and professional development and build a learning culture in the community. Resource allocation that funds the development of strategies to engage the most disadvantaged in initial learning experiences are necessary to ensure that their participation in community education increases incrementally.

As an invaluable community resource, TAFE is accessible to all community, organizational, and institutional sectors in the community and to individuals not currently engaged in particular organizations. It offers services in various regional and remote areas of the state, providing resources for industry and community development, regional renewal, and industry and technology diffusion (Government of South Australia 2003: 38). The latent potential of TAFE to support the development of learning communities is an important policy development area. Targeted resources are necessary to ensure that TAFE services as well as its social and physical infrastructure are used to support the development of learning communities and the individual and professional development of members of those communities.

Initial work has begun in developing an infrastructure that will foster the development of learning networks in local communities, of which TAFE will be a member. One aim of the networks is to increase the use of the physical and intellectual resources of TAFE in community education activities. In conjunction with this initiative, ACE outreach officers could be attached to each TAFE institution to identify the barriers facing nonengaged learners in community education. In association with the networks mentioned above, the outreach officers could develop and implement strategies to ensure that unemployed persons, those with low skill levels, indigenous persons, at-risk young people, and other persons who may have difficulties engaging in learning opportunities are assisted to do so.

Another role of the local learning networks would be to identify and promote opportunities for members of the community to investigate, analyze, and study cultural, social, and environmental issues that will assist the local citizenry to become more aware and informed of the regional, national, and global dimensions of these issues. The network would play a critical role in coordinating the community education currently available and would assist providers to collaborate on relevant issues or events. Learning exchanges that would enable persons with particular skills or expertise to share them could be developed. Where interest in a particular issue is sufficient, the network could facilitate an occasion whereby this resource is obtained and shared. This may require input from outside the community.

In addition to making more widely available the services and resources of institutions, such as TAFE and individual government departments, that are already operating within the community, strategies can be adopted to build the capacity of communities. Using a community development approach, communities can be assisted to engage their members in issues that are of importance to them and those around them. Community capacity building takes a unique approach to addressing community issues, because it involves community members in every stage of the process, including identifying needs,

planning, consultation at all levels of the community, skills development, and local action groups. It is most often delivered in conjunction with a number of key partners, who contribute human and physical resources. The further expansion of community capacity building will be one means of achieving objective five of the state's strategic plan.

B. Objective Five—Building Communities Through Effective Partnership of State and Local Government and the Regions

As detailed in section III, South Australian government departments and agencies are currently sponsoring community capacity building as an educational activity. Many of the community-based projects or campaigns in which they are investing are in areas of identified social disadvantage. Education methods include social analysis, forums, theoretical and practical skills training, and learning through action campaigns. Education also takes place as community members become integrally involved in self-determination processes.

Community education that is delivered this way involves a holistic approach to learning, because it includes a range of methods, outputs, and outcomes and engages people at all levels of society. Through their involvement in community-led development, participants gain skills and knowledge and provide input into various stages of the process. Their involvement in issues-based action groups provides opportunities for experience-based learning that are supplemented by structured training in methods of community consultation, cultural awareness, and group and organizational skills.

A policy framework that supports the coordination of skills development of persons, organizations, and communities engaged in community capacity building is necessary to raise the profile of this activity statewide as an effective form of community education. The provision of structured learning opportunities by existing providers of community education is also necessary to optimize the personal, community, and economic development outcomes arising from a planned approach to community capacity building. In conjunction with these outcomes, new and diverse forms of social engagement will be created and social disadvantage will be reduced.

An integrated framework, similar to one adopted by the Victoria state government, is necessary to draw together existing activity in this area in a way that formalizes the pathway from individual learning to fundamental social change. For instance, when the ACE sector identifies learning needs and learning options and fosters the development of networks between various parts of the community, it provides learning opportunities as well as avenues for participants to move into other formal and informal learning activities. As learning is

encouraged and individuals participate in education and training and thus gain knowledge and skills, an attitude of lifelong learning is fostered. In time, and in conjunction with initiatives introduced by learning communities, as discussed above, many activities not previously recognized as community learning are acknowledged. The social, economic, environmental, and cultural capacity of the community is built as community networks, businesses, and organizations participate more actively in community campaigns, the labor force, or arts and/or cultural activities. Table 2 presents a schematic overview of this framework.

Table 2. Community Capacity Building Framework

TIER	Core Indicators	Optional Indicators
Function of the ACE Sector (Learning Communities etc.)	Community engagement Community collaboration Effective activities	Meeting Learning Needs
Learning Delivery	Participation in education, training and learning Learning options and opportunities Knowledge and skill development	Participation in learning by particular groups
Lifelong Learning	Fostering of lifelong learning Breadth of community involvement in learning Learning being embraced by community sectors such as business, community groups and local government.	Recognizing existing community activities as learning
Community Capacity a. Social	Community organization Community participation	Strategic thinking and innovation
b. Economic	Networks and contacts Employment Business activity	Labor Force
c. Environmental	Responsibility and ownership of local environment	Participation in maintaining a sustainable environment
d. Cultural	Changes in attitudes, mindset, outlook, confidence	Participation in culture arts and heritage

ACE = adult community education.

Source: Cavaye 2004: 17.

Educational opportunities discussed in this section are intrinsic components of building a new approach to adult learning, which engages, empowers, and transforms individuals, communities, and societies. These programs will be nourished by creative partnerships of all providers of community education, including higher education and vocational education institutes and programs. Additional financial support will be required to underwrite these partnerships in order to create the conditions necessary to achieve objective 6 of the state strategic plan.

C. Objective Six—Expanding Opportunity through Vocational and Higher Education

As identified in section II of this paper, labor market difficulties are exacerbated in certain regions and for certain demographic sectors of the population. While entry-level training programs provided by TAFE are effective in assisting participants with low levels of literacy and numeracy, those with a disability, those from a non-English-speaking background, early school leavers, and women seeking to re-enter the labor force, require higher funding levels than those currently available (Government of South Australia 2003: 36). In addition, highly focused strategies are needed to increase the level of language, literacy, numeracy, and technical skills that are required by new information and communication technologies.

Policy initiatives that increase the flexibility of vocational education and training systems to ensure that development opportunities are more broadly available are integral to the development of a statewide workforce development strategy. Policy development that strengthens the existing links between industry and learning institutions will ensure that educational programs match industry skills needs and in turn promote effective pathways through learning and workplace systems.

In addition, policy support is necessary to provide effective assistance to employers, providers of skills development, and the general workforce to improve the functioning of educational institutions and guide the investment and use of resources in human capital formation. Consultative management systems that engage employees in developing strategies for the continual upgrading of their skills and knowledge, and in turn increase enterprise effectiveness and workforce satisfaction, should be promoted in the statewide approach to workforce planning.

Programs and services with a specific focus on engaging disadvantaged sectors of the labor market in identifying their workplace learning needs can also be promoted by the workforce development strategy. Using innovative

and traditional mechanisms, including a network of online learning and information services that will be available through workplaces and local communities, this strategy will contribute to the development of a “learning society.” As a government-sponsored initiative in flexible learning, it will ensure that more South Australians have access to facilities that enable them to continue learning and upgrading their skills throughout their lives.

As a fundamental component of building a more highly skilled workforce, capable of meeting the state’s future skills needs, this strategy will enable people in regional and remote areas of the state, as well as those who are socially and culturally isolated within metropolitan communities, to gain access to learning opportunities. It will support people who are employed in low-skill, low-paid jobs to access skills-increasing programs in ways and places and at times that fit in with their working, family, and life-style commitments. The outcome of these objectives will be to facilitate a cultural change within South Australian society by promoting learning as an activity that is integral to day-to-day living for all ages and stages of life.

The first stage of this strategy will be to identify the learning and skills development needs of the target groups; conduct an audit of the information architecture currently available; and analyze the infrastructure, delivery mechanisms, and content required to deliver flexible learning strategies, including on-line study programs in a range of skills areas. Support mechanisms to facilitate the delivery and sustainability of this strategy include TAFE South Australian outreach officers versed in the development of learning communities and the introduction of higher education study centers in regional areas.

V. Conclusion

A wide range of policy questions has been discussed in this paper on the issues that have been raised concerning the effectiveness of state-funded and-delivered community learning opportunities in building a socially inclusive society. The vital role of the ACE sector in resourcing community organizations as providers of community learning opportunities is recognized, as is the need to increase the level of funding it receives if it is to be more effective in engaging disadvantaged sectors of the community in a systematic way. Likewise, if communities that foster ongoing learning throughout life are to be formed throughout the state, an injection of resources is necessary to assist those communities in identifying ways of developing the networks necessary to foster and sustain a culture of learning.

As a method of adult learning activity, community capacity building is recognized for its transformative qualities evident at the personal, local, and state levels. Policy questions associated with the expansion of this form of community education are related to the nature of infrastructure that is needed to support community partnerships and enhance their effectiveness in building social and cultural capital. Such infrastructure would support a mix of social, economic, cultural, civic, and educational objectives and would be instrumental in developing the new vision of adult learning called for by the fifth international conference on adult education organized by UNESCO.

Individual, community and economic development outcomes identified throughout this study have many dimensions that are yet to be explored in full. Policy frameworks and strategies with the potential to contribute toward achieving certain objectives of South Australia's strategic plan have been identified. A number of questions remain unanswered on the comprehensive range of social and economic strategies that are required to ensure that South Australia develops a learning culture and capability that sustains individuals and communities. This process will be inspired by examples of government and community effort worldwide in which social capital is built by

developing a more holistic view of local areas and regions, linking physical, environmental, economic, social and cultural issues rather than treating them separately... through concerted efforts to develop a shared understanding of key issues and future visions, to bring together the related activities of different levels of government, separate government departments and local organizations, to achieve real community involvement and to ensure the more efficient and effective use of available resources (Edgar 2001: 139).

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Addressing Poverty Through Self-help Groups: A Case Study of Kerala¹

Jaya S. Anand²

I. Background

The *World Development Report* 2001 argues that major reductions in all dimensions of poverty are indeed possible when the interaction of markets, state institutions, and civil societies can harness the forces of economic integration and technological changes to serve the interest of poor people and increase their share of society's prosperity. Actions are needed in three complementary areas: promoting economic opportunities for poor people through equitable growth and better access to markets and expanded assets; facilitating empowerment and removing social barriers that exclude women, ethnic and racial groups, and the socially disadvantaged; and enhancing security by preventing and managing economy-wide shocks and providing mechanisms to reduce the sources of vulnerability that the poor face (World Bank 2001).

Poverty reduction strategies vary depending on a country's macroeconomic, structural, and social policies and programs to promote growth and reduce poverty. Nevertheless, all strategies should reflect the country's characteristics and should be participatory, with proper diagnostics, appropriate targets, and indicators and systems for monitoring and evaluating progress. The widely acclaimed strategy of promoting self-help groups (SHGs) of the poor has proved ideal in many countries for alleviating poverty and fostering rural development. By the early 1970s, welfare and charitable organizations concentrated on working with neighborhood or village groups on self-help initiatives and grassroots economic projects. Now SHGs worldwide foster a process of ongoing change in favor of the rural poor in a way that allows them to sustain this process through building and managing appropriate and innovative local-level institutions rooted in values of justice, equity, and mutual support.

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A. The concept of the Self-Help Group

The concept of SHGs gained special significance after 1976, when Professor Muhammad Yunus of Bangladesh began experimenting with microcredit and women's SHGs. The strategy made a quiet revolution in Bangladesh in poverty eradication "by empowering the poor women." SHGs are small informal associations created for the purpose of enabling members to reap economic benefit out of mutual help, solidarity, and joint responsibility. The benefits include mobilization of savings and credit facilities and pursuit of group enterprise activities. The group-based approach not only enables the poor to accumulate capital by way of small savings, but also helps them gain access to formal credit facilities (Shylendra 1998). By way of joint liability, these groups enable the poor to overcome the problem of collateral security, thus freeing them from the clutches of moneylenders (Stiglitz 1993). Moreover, some of the basic characteristics of SHGs like small membership size and homogeneity of composition bring about cohesiveness and effective participation of members in the functioning of the group (Fernandez 1994). In general, the SHGs created on these criteria have been able to effectively reach the poor, especially the women, help them obtain easy access to facilities like savings and credit, and, in the long run, alleviate poverty by empowering them (NABARD 1995)

B. Poverty in Kerala

Among developing countries, India has a relatively good record in addressing the issue of poverty. Kerala, when compared with other states of the country, has performed well in tackling this problem, both from the "entitlements" point of view and the "capabilities" point of view (Economic Review 2001). The 1999–2000 data show that Kerala's poverty level is only 12.72%, against the all-India figure of 26.30%. However, the problem of poverty remains persistent, particularly due to unemployment and underemployment, limited land availability, and social disadvantages (Economic Review 2001).

Poverty reduction strategies in Kerala moved in tandem with the national policy of direct attack on poverty till the early 1990s. However, a breakthrough in participatory poverty reduction was made through the introduction of SHGs and the Community Development Societies (CDS) in Alappuzha district in 1993 as part of the implementation of the centrally sponsored Urban Based Service for the Poor and the UNICEF-assisted Community Based Nutrition Program. Women from poor families were identified through a transparent

process using the nine-point noneconomic criteria and organized into Neighborhood Groups (NHG) of 15 to 40 families. The NHGs, organized at the grassroots level, are federated democratically into Area Development Societies (ADS) at the ward/*panchayat* level and these are further federated into CDS, which would be a registered body at the Municipality/District level. The entire three-tier structure is envisaged as an extension of the Panchayati Raj System, providing a support system as well as a delivery mechanism for the converged implementation of all poverty eradication programs. The success of the Alappuzha CDS and its smooth replication in another district, Nakappuram, inspired the Kerala Government to expand CDS throughout the state (Kudumbasree 1999). The urban Poverty Eradication Mission (“Kudumbasree”) is the outcome of this and it envisages eradicating poverty from Kerala over a period of 10 years. This will be done by organizing women of the poor community into groups.

C. Kudumbasree—the Poverty Eradication Mission

Kudumbam in local language means “family” and *sree* refers to prosperity. Started on 1 April 1991, Kudumbasree is a partnership between four major actors (the central Government, state government, local Bodies, and National Bank for Agriculture and Rural Development [NABARD]). The objective of the project is to eliminate absolute poverty from the state of Kerala within a decade. It is exclusively focused on women, women in family and women in community. It is an organization of women from below the poverty line. The core activity is women’s empowerment through microfinance, microenterprise, and convergent community action. Kudumbasree—the unique effort of the Kerala government—stands for organizing the poor into a community-based organization.

D. Study objectives and limitations

This paper seeks to examine the performance of selected SHGs in the state of Kerala and identify the factors contributing to the successful functioning and sustainability of groups. It also attempts to examine the impact of SHGs on poverty by their empowerment of women. However, being a case study, though the findings could not be generalized, some of them may reflect on the implications of this strategy and suggest areas of concern. It has attempted to find how the SHG intervention has changed savings habits, attitudes, income-earning capacity, and asset expansion, thereby leading to empowerment.

E. Methodology

The above objectives were examined through an explanatory study of the functioning of selected SHGs in Kerala. Malappuram, which is considered to be the most backward district in the state, with the lowest per capita income, highest population, educational backwardness, etc., was purposely selected. Chungathara Panchayat, which is considered to be the pioneer in promoting the SHG concept, was chosen and promoted by three voluntary agencies or nongovernment organizations (NGOs)—Shreyas, Boothan Vikas Mandal (BVM), and the Community Development Society. Five groups each from CDS, BVM, and Shreyas were selected for an in-depth study.

A detailed socioeconomic survey of the members was conducted and the members' perception of factors contributing to the groups' sustainability and their attitudes, skill, and knowledge after joining the groups were collected using a structured interview schedule. For this, 10% of the members from the selected groups of the three voluntary agencies were randomly selected. The field data collected were supplemented with focus group interactions and short interviews with the office-bearers and coordinators of the three voluntary agencies.

II. Sustainability of SHGs

Several studies reveal that certain elements/factors are crucial for the successful functioning of an SHG. They may be categorized as external and internal. The external factors usually include an agency (e.g., a Mahila Samajam—voluntary, small formal women's association formed at the local level, Grama Panchayat—a democratic structure functioning at the village level, a banker, or even a government organization) that promotes and motivates the members. The Bangladesh and Myrada experiences show that in the initial years, the role of the external promoting agency is vital for motivating, nurturing, and equipping the group to reach the stage of self-reliance. Deliberate external intervention of the promoting agency (in the initial stage) helped in laying a strong foundation in the Myrada group. However, whether it is the government or the voluntary agency, the role of these promoting agencies is significant, because it is not confined to mere mobilization of rural women. The agency is also expected to inculcate in them a spirit of self-help, mutual help, and creating a better understanding about the mission and goals of the SHG concept.

Groups cannot be built overnight. Group formation is a slow, time-consuming process. Once the members get the crux of the concept and realize the benefits, they will be loyal throughout and will never leave the group.

When the group becomes stabilized in its functioning, internal factors like good leadership, unity, and mutual understanding among the members determine the pace of growth and development. The internal factors contributing to group success include: i) the presence of an educated, sincere, and dynamic leader; ii) stability in leadership; iii) homogeneity in membership (members belonging to same income or social strata, etc.); iv) democracy and transparency; and v) cooperation, unity, and mutual understanding. Based on these criteria, we have identified a few internal and external factors that have influenced the functioning of the selected groups under the three agencies.

The role of the promoting agency and the coordinator were the most important external factors contributing to the groups' success: 46% of the members interviewed felt that the promoting agency and the coordinators had had a crucial role in the initial years, till the groups reached the stage of self-sufficiency. However, in BVM, the role of the bank and the promoting agency was highlighted by 54% of the members. In CDS, 25% gave multiple responses, and 23% did not respond or were neutral. In the consideration of the internal factors contributing to groups' success, group-wide variations were not observed. Sixty-nine percent of the members, irrespective of the group, remarked that good leadership, cooperation among the members, transparency in decision-making, etc., were essential for the groups' smooth functioning and sustainability. However, members felt that the role of the group leader was one of the foremost factors responsible for the groups' success/failure. In some of the defunct groups, the absence of a strong secretary to inculcate in the members the real spirit of group dynamics had led to its failure.

III. Microcredit and the Extent of Women Empowerment and Poverty Alleviation

Microfinance programs for women are promoted as a strategy for poverty alleviation and women's empowerment as well (Mayoux and Johnson 1996). In the past decade, empowerment has become a key objective of development. In our present context, empowerment may be defined ideally as "the continuous process where the powerless people become conscious of their situation and organize to improve it and access opportunities": an outcome where women take control over their lives, set their own agenda, gain skills, solve problems, and develop "self-reliance" (Mayoux and Johnson 1996). It is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives. Within the SHG approach, empowerment is embedded at many levels. In the present study, to examine the impact of SHGs and microcredit on empowering women

and thereby reducing poverty, the framework developed by various microfinance institutions, aid providers, and international agencies was adopted and modified to suit the context, the area of study, and the culture of the people. The following indicators were used to assess the extent of empowerment and poverty reduction.

A. Economic and Financial Empowerment

The status of women is intimately connected with their economic position, which in turn depends on opportunities for women to participate in economic activities. Women's ability to save and access credit would give them an economic role, not only within the household but also perhaps outside it as well. Investment in the economic activities of women would improve their employment opportunities and thus have a "trickle down and out" effect. Here the specific issues examined are the income-generating activities (IGAs) taken up by the members of the three groups and the monthly returns from them, their contribution to the monthly family incomes, their level of savings, repayment behavior, and changes in their physical assets and amenities after joining the group.

1. Income-Generating Activities and Increase in Income

In the Micro Credit Summit Preparatory Meeting (1995), Hillary Clinton said: "It is called micro, but its impact on people is macro. We have seen that it takes just a few dollars, as little as \$10, to help a woman gain self-employment to keep her family out of poverty. It is not a hand-out, it is a helping hand" (Proceedings of Micro Credit Summit 2001) It is widely accepted that the returns from the economic activity are used for the welfare of the family and the community at large.

An examination of various IGAs taken up by the members of the groups under the three NGOs shows that irrespective of the voluntary agency, the majority of the members had gone in for poultry, cow, and goat-rearing. Of the total, 27% belonged to this category. As in other rural areas, animal raising has proved to be a low-risk, low-cost economic activity for supplementing family income without much effort.

In Chungathara Panchayat, goat-keeping is an ideal activity, as grazing is possible in the nearby forest. Moreover, their high prolificity combined with their ability to breed throughout the year have rendered goat-rearing a highly remunerative activity; it has therefore induced a large number of the poor to take it up. In spite of the tendency among beneficiaries to underreport income, most of them generated a stated monthly income ranging from Rs50 to Rs3,000

(Rs3,000 on sale of kids). Most of them also had availed themselves of repeat loans. In CDS and Shreyas, some of the members who were laborers said that they could not afford to forego their work and wages to take up cattle rearing. Hence, such members had sold off cattle, while all the unemployed members found this activity highly remunerative.

Agriculture—vegetable cultivation, including cultivation of banana and tapioca—proved a viable venture. The group cultivation of vegetables undertaken by BVM groups was found to be highly remunerative. We found that the area in which the BVM groups function is highly fertile, surrounded by three rivers.

In CDS, four members had taken loans for tailoring and purchase of sewing machines. The innovative group activity taken up by some members of direct marketing of Sabari tea and Supplyco's other products on a commission basis was also very remunerative, yielding an average of Rs1,500 per month per member. The soda-making unit, which had been a viable one earlier, now faces tough competition from branded soft-drink products.

In BVM, the Chippy Umbrella group has availed itself of a loan from NABARD and two other voluntary agencies. The average gross monthly income from this enterprise ranged from Rs700 to Rs1,500. Though the market is assured, this activity is seasonal and during the rest of the year, they remain unemployed or engaged in some small activities. They are planning to start a paper plate-making venture, for which they were looking forward to getting training.

It is remarkable to note that in Shreyas some of the members had undertaken some innovative economic activities. Sericulture done as a group activity seems to have generated an average of Rs2,000 per month. The seed nursery set up by a group with support from Krishi Bhavan is a welcome step. The loan amount accessed by the members of Shreyas ranged from Rs500 to Rs40,000, amounts of microcredit notably higher than those of other groups. Also, the number of members who took loans for consumption was comparatively high. It is observed that a significant number of members (not from the sample) in Shreyas had taken loans to repay old debt.

2. Contribution of IGAs to the Family Income

The basic assumption underlying the provision of microcredit is that the investment made with the credit will generate income, adequate to contribute significantly to family earnings. In Chungathara Panchayat, unemployment is an acute problem and the poor families are the worst hit. The women in these families are unable to contribute toward their families' income, as they do not have the skills or the opportunities for employment. Joining a SHG, though

the returns from IGAs taken up under it remain irregular and in many cases unstable, would make a lot of difference to the lives of the poor. The increased incomes have helped reduce poverty to a great extent in several families. Some members take up more than one activity (goat rearing and tailoring, for example) to make up the loss during off-seasons. It could be inferred that in the case of 80% of the members with economic activities, their incomes from micro-enterprises contributed considerably to the family incomes directly or indirectly. In BVM, 55% of the selected members were reported to have taken up IGAs, while in Shreyas and CDS the corresponding figures were 33% and 42%.

In order to examine the impact of the program, the income generated from the economic activity (resulting from microcredit) was collated with the total monthly family income (Table 1). The contribution of microenterprise to total family income is found to be significant, indicating the positive impact of the strategy. The contribution was the highest in BVM (35%) and the lowest in CDS (24%). It is noted that in Shreyas, monthly income from the economic activity formed 27% of total family income, which was higher than in CDS.

Table 1. Percentage Distribution of Family Income

Source	BVM	CDS	Shreyas
Contribution from economic Activity (pertaining to Micro credit)	35	24	27
Contribution from other sources	65	76	73
Total family income	100	100	100

BVM = Boothan Vikas Mandal; CDS = Community Development Society.
Source: Computed from field data.

Table 2 gives some statistical measures of incomes and loans. The average monthly income was the highest in BVM (Rs958.30) and the lowest in CDS (Rs590.00). The coefficient of variation (CV) was 1.06 in BVM, indicating that there was wide variation in income among the group members; in CDS and Shreyas, the CV was only 0.86 and 0.76, respectively.

The average amount of the loans disbursed was also the highest in BVM, Rs4,462, as against Rs3,169 in Shreyas. However, the CV in respect of loans was higher in Shreyas (1.34) than in BVM (0.86). The amounts of the loans disbursed to members of Shreyas varied much more widely than in the other two organizations.

Table 2. Statistical Measures
(rupees)

Variables	BVM	CDS	Shreyas	All Groups
Average Monthly income	958.30	590.00	695.20	726.80
Standard Deviation	902.60	684.80	906.20	848.01
	1.06	0.86	0.76	0.85
Average Loan	4,462.50	4,360.30	3,169.50	3,839.50
Standard Deviation	5,141.80	4,742.70	2,353.00	3,954.17
Coefficient of variation	0.86	0.9	1.34	0.97
Correlation coefficient between				
a) Income and microcredit	0.2554	0.5153	0.3896	0.3478
b) Income and repayment	0.2334	0.3478	0.3817	0.3081
c) Loan and repayment	0.8455	0.7814	0.9499	0.8685

BVM = Boothan Vikas Mandal; CDS = Community Development Society.

Source: Computed from field data

3. Relationship Between Income and Microcredit

The preceding analysis suggests that the provision of microcredit to poor women has created a positive impact, since the enterprises they began were able to produce substantial returns. All the increase in their incomes might not have come from these enterprises, however. The coefficient of correlation shows that the correlation between these two, though positive, is not statistically significant (the figures are 0.2554 and 0.3896 in BVM and Shreyas, respectively). A fairly high correlation is seen in the CDS groups. Thus, it is obvious that factors other than the investment made with microcredit must have influenced to a significant extent the increase in income of the members of groups in BVM and Shreyas.

On the other hand, it was seen that the CDS members were comparatively poor and had invested only the microcredit amounts in their enterprises and that most of the activities were new ones. The returns from these were meager and irregular. However, in BVM and Shreyas, members either took up highly remunerative ventures or used the microcredit for diversification of, or addition to, ventures already under way. Thus, they could generate substantial income out of the activity using the microcredit. For instance, in CDS, some of the members who started making *pappad* (spicy snacks/wafers made from ground rice), curry powder, etc., had to stop the venture due to low demand for the product. However, in Shreyas one of the members could carry on the activity

of pappad-making successfully, as he was a traditional pappad-maker and had regular clients. It is thus evident that those who had some previous business experience were able to make use of microcredit more effectively.

B. Political and Legal Empowerment

The empowerment of women extends beyond economic and social aspects. It includes increased respect from the community, participation in social activities and decision-making forums, acquisition of entrepreneurial skills, and legal and political visibility.

The study shows that about 20% of the members were able to acquire livestock and poultry. However, the majority of the respondents (73%) reported that the impact on creation of physical assets was almost nil.

Regarding awareness and capacity building, SHGs have been very effective in improving the levels of knowledge and skill of rural people through informal education and training programs. Social interaction is reported to be much better among the members after joining the groups. Fifty-four percent are well informed about health care and family welfare programs. The occasional classes arranged by the voluntary agencies on health and hygiene proved to be extremely beneficial. The most striking advantage of SHGs is that 91% learned about the banking system after joining the group and were confident about going to the bank to transact business. Over 86% of the respondents reported that they have not undergone any vocational or skills development training.

However, the awareness level about local planning and legal rights is an area that is almost neglected. Some groups have introduced participatory learning approaches, which is an exercise in awareness building and articulation of needs through social mapping.

Regarding participation in the political process, 75% of the members remarked that their participation was nil. Though 91% of the members attended the *grama sabhas* (a local-level meeting convened by the Panchayat president to discuss and decide on all development issues pertaining to the local area), some of them saw no use in attending, as the major share of panchayat funds went to politically affiliated persons. The respondents remarked that they merely sat as spectators. However, the president of an SHG remarked, "We take efforts to see that members participate in grama sabhas and raise the voice of their needs." However, it is seen that participation has not led to involvement of the members in local planning, decision making, or implementation of development programs in the area. In rare instances, "group needs" like requests for streetlights and ferry service across the lake, or a bus permit for transit in remote areas, etc., could be addressed.

Experience in Alappuzha shows that the leadership in SHGs may serve as a gateway to more active political participation and empowerment. In many panchayats, it was found that in the recent election, the group leaders were considered candidates by political parties because of their proximity to and close contact with the local people and their awareness of each and every problem of the area. In the words of Ms. Usha, “If I participate in local elections and opt to become a party candidate, I am afraid that I would not be able to discharge the present duties of CDS president effectively. My functional freedom will be curtailed by political interference. When a decision is taken, people would then consider it politically biased. I turned down the offer” (Interview with Ms Usha, President of Community Development Society, during a field survey in May 2001).

IV. Performance Evaluation and General Findings

This part discusses the performance of the selected groups using secondary information and through observation and short interviews with members and group leaders. The groups promoted by the three agencies were performing well and each had its own positive and negative features.

It was evident during the field survey that the most powerful attributes that SHGs have helped to foster are the awareness of one’s rights and the ability to transform their lives. The success of the movement in Malappuram has been mainly due to the sincere services of the group coordinators and community organizers. Also, the more backward an area, the greater is the intervention required.

Group formation was rushed through in many cases, with inadequate preparation of the participants and clarity about the goals of the SHG. This is evident from the fact that in inactive groups, members were found to have left the group after availing themselves of a loan. The enthusiasm seen in the newly formed groups was lost, at least by some members, in about 2 or 3 years of functioning.

None of the voluntary agencies was found to be making efforts to develop a second line of leadership or groom members to take up the leadership role. It was observed that a few women were dominating the show. A trend seemed to have emerged of the educated and the “better off” leaders dominating the groups and getting re-elected again and again due to the following factors:

- i) illiteracy, absence of numerical skills, and educational backwardness of the members;

- ii) lack of enthusiasm among the members to partake in the group activity, and complacency in continuing with the traditional role of housewife;
- iii) interest shown by leaders for continuing in their leadership positions;
- iv) resistance from family members or the community, mainly in the case of Muslims, about attending meetings outside the ward or the locality; and
- v) unwillingness on the part of members to take up responsibilities for fear of the additional workload.

Overdependence on leaders is found among members in all the successful groups. The members seem to depend on them for each and every decision. This system of spoon-feeding cannot be considered a positive result; a strategy of gradual and slow withdrawal of the helping hand of the leader, as has been shown by some NGOs in other places, seems to be the ideal mechanism for making the groups self-reliant.

One major impact on the women members of SHGs promoted by the Grameen Bank has been the creation of awareness about newer economic opportunities available to women and the abilities needed to tap them. It is seen that despite 3 to 4 years of functioning, some members remain unemployed but are willing to take up an economic activity provided sufficient guidance and credit is made available. None of the groups in Malappuram is seen to be making efforts to help the members to identify suitable IGAs based on their skills and aptitudes. Wide scope exists for accessing microcredit from various agencies. More members of the poor households have to be brought into the credit network, together with necessary guidance and technical support.

All the groups have taken up individual economic activities, but group activities are very few. The leaders were apprehensive about the success of group enterprises, because cases in which the group activity failed had led to financial imbalances and difficulty in loan repayments for all the members of the groups. The situation was not so complex in the case of failure of individual units. It was felt that individual activity was better, especially in the first 2 years, until the group attained sufficient maturity and confidence to take up group enterprises.

In general, the lessons of the training and the awareness courses imparted to community organizers and other leaders do not seem to be effectively passed on to the members. Dissemination of information to the grassroots level is inadequate. Unless the training given to the community organizers is disseminated to the members, empowerment of the members may not take place. We found that even after 5 to 6 years, only the group leaders were fully aware of various government schemes and programs and other opportunities, while the members remained passive.

A tendency has emerged among members to leave one group and join other groups, when the latter are found more attractive. In some cases, the secretary of the CDS group was also the president of BVM, or vice versa. Instead of promoting healthy competition among the various agencies, the coordinators and leaders consider other NGOs as their rivals. A coordinated effort of all voluntary agencies at the grama panchayat level would pave the way for overall development, solve problems of infrastructure development and marketing, and put an end to social evils such as early child marriage and dowry.

V. Summing Up

Elimination of poverty requires both macro and micro strategies. At the macro level, a conscious choice has to be made to achieve pro-poor growth. This means that attention should be on developing agriculture and encouraging labor-absorbing industries, particularly small and village industries. Also, a massive capacity-building exercise needs to be taken up to enhance the capabilities of the poor. At the micro level, a convergence of programs, resources, and services is called for. This can be achieved only through a demand-led process, which means that the poor have to be organized and empowered to participate in the development process. In concrete terms, it means setting up microenterprises, providing wage employment while creating rural infrastructure, targeting basic services, and providing direct social security measures to the most vulnerable. Only such a concerted approach can tackle the multiple dimensions of poverty and their ratchet effect on the poor.

It has been proven beyond doubt that interventions through SHGs can make a big change in living standards, through regular savings, improved levels of family earnings, expanded assets, and better sociopolitical access, thereby reducing vulnerability and poverty and contributing to a wide range of development goals. SHGs have not only produced tangible assets and improved living conditions for their members, but have also helped in changing much of their social outlook and attitudes. The group dynamics have reasonably helped many members to overcome the feeling of low self-esteem and lack of confidence and empowered them. Considering the time span of SHG functioning and the backwardness of the area, we feel that the “takeoff stage” has been successful. The general backwardness of the area, i.e., poor educational background, ignorance, adherence to traditional values, etc., has hindered the pace of development. The foremost thrust of all the voluntary agencies should be on informal education, building awareness, and organizing skills upgrade programs at the grassroots level.

Considering the presence of a large number of active groups and the drive created by the movement, the strategy can help alleviate poverty, provided the movement is sustained. However, the overdose of politics and the entry of communal organizations have threatened the very concept of SHGs and the collective spirit for which these informal setups were formed. Political parties, becoming aware of the vast potential of these SHGs in mobilizing people, have set their eye on “intruding.” Even the religious organizations have been encouraging their members to penetrate into SHGs with a parochial agenda, thereby creating a dangerous trend. This may have serious repercussions in the long run, and the desired role of SHGs in poverty alleviation and women’s empowerment may come to a standstill unless adequate policy measures are taken.

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Citizen Empowerment through Participation: Pakistan's Case

Ahmad Nadeem Khan¹

I. Introduction

Public administration may be defined as “taking care of the state’s, and international organizations’, business by civil servants within the executive branch of government, other than public policy” (wordiQ.com 2004). Distinction should be made between public administration and governance. Whereas public administration refers to the governmental machinery, governance refers to the exercise of power by that machinery in order to utilize the resources at the disposal of the government. One may observe, however, that the primary business/role of the state, of late, has changed from security to the welfare of its people. This change in concept, therefore, calls for improving governance with a view to making it compatible with the new role of the state. Thus, the focus has shifted to good governance. Good governance may be defined as “the exercise of power by various levels of government that is effective, honest, equitable, transparent and accountable” (Johnson 1997). Thus, the more vigorously governmental machinery adopts and delivers according to the basic instruments of good governance as mentioned in the definition, the more it is on the path to improved governance. The role of public administration in improving governance, thus, cannot be overemphasized when one looks at the nexus between public administration, good governance, and improved governance.

There can be no two opinions about the proposition that the greatest challenge that faces the public administration in the developing countries these days is the alleviation of poverty. If the world community wishes to improve the living conditions of the people, poverty reduction has to be the starting point for it. Realizing the gravity of the situation, the Asian Development Bank (ADB) has made reduction in poverty its overarching goal and most significant development challenge for the Asia and Pacific region (ADB 2001).

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II. Poverty and the Poverty Line

The new century opened with an unprecedented declaration of solidarity and determination to rid the world of poverty with the adoption of the United Nations Millennium Declaration at the largest-ever gathering of heads of state, doing all they can to eradicate poverty (UNDP 2003). This is because apparently poverty is just a word but the meaning and concept is so vast and painful that only those who experience it can feel it. The even darker part is that freedom from illness and freedom from illiteracy—two of the most important ways poor people can escape poverty—remain elusive to many (World Bank 2004a). The brighter part of the whole episode is the fact that it has been understood in its correct perspective and so there is a great awareness, and hue and cry raised, particularly by the international agencies like ADB, the World Bank, and the International Monetary Fund, to address the problem and reduce it. Never has so much emphasis been placed on tackling this problem, despite the fact that the problem is centuries old, as is evident from one of the most famous short poems of Du Fu, an 8th-century Chinese Poet (Du Fu Poetry 2004):

zhu men jiu rou chou
lu you dong si gu

Behind the gates of the wealthy
Food lies rotting from waste
Outside it's the poor

Who lie frozen to death

The World Bank aptly describes what poverty means to the poor in the following terms:

Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not being able to go to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom (The World Bank Group 2004: 1).

For such a grave situation, the biggest question is where to take a start? An acceptable way had to be found to determine some minimum level necessary to meet basic needs. This is known as the “poverty line.” The World Bank uses the reference lines set at \$1 and \$2 per person per day for the purpose of global aggregation and comparison. Those living below \$1 are in the bracket of extreme economic poverty (The World Bank Group 2004).

III. Incidence of Poverty

Poverty is found all over the world. The Asia-Pacific region is extremely vulnerable. This is because this region occupies slightly more than a quarter of the world's land area but has more than half of the total world population (UNEP 2004). More alarming is the fact that two thirds of the world's poor are still found in the region (ADB 2004). It is because of this very fact that ADB has specially focused on reducing poverty in this region. With this aim, the Millennium Development Goals (MDGs) have been drawn up to tackle this problem. The best known MDG is halving the proportion of people in extreme poverty by 2015. If the world is to halve poverty by 2015, the Asia-Pacific must spearhead. The fight against global poverty must be won in the Asia and Pacific region.

Although the picture presented above is alarming, that does not mean that nothing has been done. In 2000, the proportion of people living on less than \$1 a day was 22%, down from 32% in 1990. This means that the number of poor people fell from 900 million to 720 million in that period (ADB 2004). When it comes to Asia, as recently as 26 August 2004, 1.9 billion people, or 60% of developing Asia's population, still lived on less than \$2 a day, according to a report released by ADB. The report notes that if the \$1-a-day poverty line is used, the number of people living in extreme poverty totals 690 million, or 21.5% of developing Asia's population. This total is down from 800 million people in 1998 (Chandrasekhar 2001).

All this has happened due to the splendid role played by the international aid provider agencies and in particular ADB. ADB has reiterated time and again that reduction in poverty is its first and foremost challenge and goal and has amply demonstrated this since its establishment in 1966. ADB unveiled a \$7.0 billion antipoverty fund for the period 2005–2008. This amount is significantly higher than the \$5.65 billion committed for the 2001–2004 period (Abbugao 2004). The fund will earmark 21% of the amount to be given as grants and charge 1% interest rate on Asian Development Fund (ADF) loans during an 8-year grace period and 1.5% after that. They are payable in 32 years (Abbugao 2004). Furthermore, the President of ADB, in a speech at the Joint KfW-ADB Seminar on Infrastructure and Poverty Reduction in Berlin, Germany on 26 September 2001, announced that from that year onward, at least 40% of ADB's public sector lending would be allocated to direct poverty reduction.

IV. Empowerment of People Through Participation

Different ways and methods can be applied and adopted to achieve the twin objectives of poverty reduction and improving governance. In this paper the focus will be on how people can be empowered by making them directly participate in different activities and projects and thus better and improve their lot.

A. Pakistan's Case

In this conference, the area under study is the Asia-Pacific Region, which is home to about two thirds of the world's poor. Pakistan's case is quite pertinent and might be advantageous for other member countries to follow, because Pakistan is one of the seven poorest countries in the South Asian Region and this region is home to around 490 million poor people (US Department of State 2002).

Before wearing the topic threadbare, it might be prudent to clarify certain terminology that will help in understanding the issue in a better way. Let us begin by analyzing the term poverty. As discussed earlier, poverty does not mean only deliverance from starvation. The concept has rather broadened to include issues like universal primary education, better health care facilities, availability of clean drinking water, sanitation, removing gender disparities and empowering women, and the provision of a clean environment, which are also accepted as MDGs. This means that empowerment will have to be accomplished with a view to achieving these broader goals. Empowerment technically means "the expansion of the assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable the institutions that affect their lives" (World Bank 2004b). This means that people should not only be given rights and resources, but should also be able to access information, participate, hold those exercising authority accountable, and take advantage of local organizational capacity. This will result in provision of basic services, improved local and national governance, and access to justice.

Pakistan has a population of 145.5 million, with a male/female ratio of 108.5:100 (Population Association of Pakistan 2004). The incidence of poverty was 32.1% in 2000–01—the last estimates available in the country—based on the poverty line of Rs748.56 per month per adult equivalence in 2000–01 (Government of Pakistan 2003-2004). In the past couple of years the economy has shown improvement, as the basic economic indicators suggest. A comparison of the two periods is shown in Table 1.

Table 1. Incidence of Poverty, 2000–01 and 2004

Items	2000-01	2004
National	27.30	23.10
Urban	23.10	13.60
Rural	30.60	28.35

Source: Government of Pakistan 2003-04.

While economic conditions have shown recovery and the incidence of poverty has slightly declined, it has been rightly argued that the results and benefits of economic growth, improvement of public services, and human development do not automatically trickle down to the poor: the structures that create poverty need to be addressed (Sopchokchai 2003). Therefore, conscious efforts have to be made not only to make this possible but at the same time start programs that directly and instantly improve the lot of poor people.

In the sections to follow are highlighted projects like Orangi Pilot Project, Khuda Ki Basti (Squatter Settlement) Project, Agha Khan Rural Support Program and its replicas, the Poverty Reduction and Strategy Paper of the IMF, and the Devolution Plan. In all these projects, the direct participation of the people contributed immensely to the success of these projects, producing numerous quantifiable results.

B. The Orangi Pilot Project

Karachi, the biggest and most industrialized city of the country and also the hub of commercial and economic activity, has the largest “katchi sbadi” (squatter settlement), by the name of Orangi. It covers an area of 8,000 acres and has a population of about 1 million living in 94,122 houses. The settlement began in 1965 (Khan 1996). Stated in the simplest terms, the Orangi Pilot Project (OPP) was launched to regularize the squatter settlement and to lend some dignity to the living conditions of the poor, thereby solving to a small extent the housing problem of poor and low-income groups. However, it would not be an exaggeration to say that it is far more than that, as this project not only fulfills the basic criteria of empowerment—i.e., it has given the right to information, to participate, and to hold accountable those who exercise authority—but it also tackles the problem of poverty, in its social and economic perspectives, as also envisaged in the MDGs, through the process of participation.

The description of OPP will not be complete without referring to Mr. Akhtar Hameed Khan, who is recognized globally as one of the outstanding social scientists of our age. He is best known as the author of two remarkable and internationally acclaimed community development projects: during the 1960s he was the Director of the Comilla Project in East Pakistan, now Bangladesh, and since 1980, he has been the Director of the OPP in Karachi. The OPP is an urban project funded by a nongovernment organization (NGO). The author aptly highlights the importance of participation of the local people in any project undertaken in these words:

Most programs developed for the poor in the Third World fail because they are designed by professionals who belong to the upper classes and are not fully conversant with the sociology, economics, and culture of the low-income communities or the causes of conditions in low-income settlements (Khan 1996: xxii)

The same pattern was also tried on a small portion of Orangi by the United Nations Commission for Human Settlements (UNCHS) in collaboration with the erstwhile Bank of Credit and Commerce International (BCCI). Two million US dollars were donated, a Chief Technical Adviser (CTA) was appointed by UNCHS, and, as expected, this individual found everything wrong with OPP from the professional's point of view. However, after 6 years all the CTA's programs fizzled out and all the projects were reverted back to OPP (Khan 1996). Mr. Akhtar Hameed Khan is strictly against publicity in the beginning of such projects. In his opinion, as a project grows, the intelligent people should be informed by means of accurate and well-documented reports by impartial evaluators. On the above principles and approach, the OPP has been operating a number of programs, including a low-cost sanitation program financed and managed by the people, a housing program, a basic health care and family planning program, a program of supervised credit for small family enterprise units, an education program, and a rural development program in the villages around Karachi.

OPP was sponsored by Agha Hassan Abedi of BCCI. It began working from 1 April 1980. Let us discuss its programs one by one.

1. Low-Cost Sanitation Program

All the projects undertaken by OPP were praiseworthy, but the sanitation project needs special mention because laying sewer lines was technical and involved huge sums of money, but the previous open drains polluted the

environment and posed great health hazards. OPP does not itself carry out development work, but promotes community organizations and cooperative action and provides technical support to such initiatives. OPP followed this approach and encouraged the people to participate and to adopt the course of action that they thought suited their requirements and was simultaneously cost-effective. OPP's sanitation program has brought about major environmental changes and at no cost to the government. Over 80% of Orangi Township has built its own sanitation system (Khan 1996).

In 1980 bucket latrines or soak pits were being used for the disposal of human excreta and open sewers for the disposal of waste water. The change to be brought about not only required a lot of money but at the same time was technical; OPP was required to play very diverse roles to address the issue from both angles. OPP succeeded in bringing about this change by convincing the people to build a sanitation system by showing them how to reduce the cost, by removing the economic and psychological barriers, and by providing the technical assistance through its social organizers and technicians, thus enabling them to escape kickbacks and profiteering. Thus, OPP was able to bring down the cost to approximately \$40 for sanitary latrines, a house connection, the share of the lane sewerage line, and the share of secondary drain line. As of February, 1995, low-income homeowners had constructed, with their own money and management, 5,256 underground sewage lines (1,322,859 RFT) and 80,503 sanitary latrines by investing Rs62.73 million (Khan 1996). The best thing about it is that the methodology has been replicated by the United Nations Children's Fund, the World bank, and ADB in their projects in Sukkar and Hyderabad, the Sindh Katchi Abadi Authority, and the Karachi Metropolitan Corporation (Khan 1996).

2. Low-Cost House Building

The importance of low-cost housing, which the residents of Orangi built with assistance from the OPP, can be understood from the fact that the formal sector in Pakistan provides only 180,600 housing units per year in the urban sector, against a demand of 428,000. The annual deficit of 257,400 housing units is taken care of by the creation of squatter settlements and informal subdivision of agricultural land (Khan 1996). The important point is how OPP became successful in reducing the cost so dramatically that even poor people could build their own houses from their own resources. A lot of factors were involved in it. First of all, research was carried out as to the deficiencies/defects of Orangi houses through OPP's research and extension approach. The middlemen were strictly kept out, to discourage speculation and avoid an abnormal increase in prices. Through OPP technical assistance, all the

machinery—concrete mixer, vibrator, pump and moulds—were made locally at a total cost of Rs75,000 (ca. \$2,000) (Khan 1996). The quality of building blocks was improved, an alternative roofing design was developed substituting the reinforced cement concrete, pre-cast staircases were used, and the masons were given training. All these changes were brought about to reduce costs and bring housing within the reach of poor people who helped themselves.

3. Health Care and Family Planning

In June 1984, the OPP started a pilot program of imparting basic health care education to low-income housewives. In 1985, at the insistence of Dr. Sheila McCraw of the Office of Development Assistance, family planning education was also included in the program. The lady health visitors report that even illiterate Pathan wives were eager to learn, from OPP's health teams, the prevention of disease and spacing of births. As a result of OPP's sanitation system and health care programs, the infant mortality rate fell from 130 per thousand in 1984 to 37 in 1991 (Khan 1996). It was all achieved by adopting innovations. For example, instead of a fixed center or clinic, of which multiple examples would have been required for such a big locality and which might have become impracticable because of high costs, OPP introduced a new system of a) mobile training teams, b) a selected activist or contact person for 10 or 20 lanes, c) regular scheduled meetings at the activist's house, and d) formation of a neighborhood group by the activist. By 1994, a greater awareness about health and hygiene had been created. Orangi wives were now willing to pay for immunization, contraceptives, and other medical services. A survey showed that 646 private clinics had been set up to cater to this demand (Khan 1996).

4. Education in Orangi

Education is a success story too. Orangi schools, without any assistance from the Government or external sources, have raised the literacy of Orangi residents to over 78%, as against an estimated Karachi average of 62%. A survey showed that Orangi had a total of 585 formal schools, including pre-primary, primary, and secondary, in addition to religious teaching schools, informal tuition centers, and technical institutes. Of these formal schools, only 11% were set up by the Government, whereas 85% were set up by the people themselves. Moreover, these schools provided employment to 2,389 teachers and—surprisingly—the percentage of male and female teachers is 31:69 (Khan 1996). This not only empowered the women greatly but also removed gender disparity. Another positive aspect of these schools is the fact that most of them are coeducational. This was nonaggressive, nonostentatious,

refined, and modest emancipation, which was gaining acceptance in a highly conservative environment (Khan 1996).

5. Empowerment of Orangi Women

Another great OPP achievement is the empowerment of women. In Orangi, women are not only emerging as workers, they are also emerging as entrepreneurs. Since 1987, the Orangi Trust has been giving loans to family enterprise units. As of February 1995, Rs48.5 million had been given to 3,159 units employing at least 15,000 workers. Of these workers, at least 40% are females. Women entrepreneurs manage 613 of these units on their own. They have borrowed Rs8.75 million and repaid Rs5.9 million. These women entrepreneurs are managing 45 categories of enterprises, the largest number being stitching centers (222) and consumer stores (105). In addition they are managing 33 schools, 7 industrial homes, 14 clinics, 6 beauty parlors, 34 workshops, etc. (Khan 1996).

OPP is a story of people's participation. One would rarely find such a classic story of poor people's success through their own participation in projects that they themselves thought—if completed and implemented—would not only help them throw off the cloak of poverty but also tremendously improve their social and economic living standards. It is an excellent example, to be replicated in all poor segments of developing countries with success guaranteed, provided they follow the principles OPP followed. OPP is the success story of Mr. Akhtar Hameed Khan, which also indicates the only sad or weak aspect of the whole episode, because it should have been the Government that was concerned and conceived such projects. The Government should have at least learned the right lessons from it and should have replicated it throughout the poorer regions of the country.

C. Khuda ki Basti

Khuda ki Basti (God's Settlement) is a low-income housing project. It was started to provide ease of entry and immediate delivery of plots to the needy and poor. Development of infrastructure and services would be incremental, i.e., initial services were limited to the basics, which could be increased and improved as and when the financial conditions of the residents permit. The major difference between Khuda ki Basti and the Orangi Pilot Project was the greater role of government and public agencies in Khuda ki Basti, because it was being developed by the Hyderabad Development Authority (HDA) which is a government body. The weak point of the whole scheme

again is the one-man show behind its success: the one man this time is the Director General of HDA, who was able to transmit this passion to his staff as well. The worst part of these one-man show schemes is that despite their tremendous potential for replicability, they are not replicated with the same zeal and spirit because it is difficult to find other persons with similar zeal.

In the Khuda ki Basti scheme, the most successful features were the land delivery concept and procedures that kept the prices low. Conscious efforts were made to discourage speculation. Between March 1986 and January 1990, 2,883 plots had been allotted in the scheme. Of these, 2,683 had been built upon (Ismail 2002). The physical services were developed over time. Since this scheme was developed by hand, water with house connections was provided by HDA. HDA did not have smooth sailing, however, because the block organizations that were created to deal with HDA on behalf of the residents could not develop and hence the relations of HDA and block organizations were not very constructive. Notwithstanding this turbulence in the relations between HDA and the block organizations, the Basti did remarkably well in the acquisition of services. A total of 1,367 water connections were provided, in addition to 90 water stand-posts; 216 electric connections were acquired (which served more than 600 houses through indirect connections), and No Objection Certificates were given for an additional 500. Sanitation was slow to develop, as its priority came only after electricity. However, 20% of the people had sewerage connections and 35% had built soak pits (Ismail 2002). Social sector facilities were a mix of efforts by private entrepreneurs, NGOs, and public agencies. Thus in 1990, there were five proper schools in the Basti and six clinics, including one Basic Health Unit (BHU) and one women's center (Ismail 2002). House building was of average quality by Hyderabad standards and could have been improved by research. The physical plan was also not conducive to humans because it was not compatible with low-income settlements.

The Khuda ki Basti Scheme was aimed at identifying land delivery and development models to overcome the housing problems of the poor and cater to their shelter needs. Despite certain problems, the scheme provided land and social services to people at affordable prices without burdening the Government. It has all the possibilities and potentials of replicability because it is entirely self-financing, it is simple in approach, and all its procedures are transparent. It is highly flexible to execute or modify; provision of services is linked to cost recovery; and cheap technology is used for house construction. The scheme is sustainable in the long run because of the involvement of the community.

D. Agha Khan Rural Support Program and its Replicas

The Agha Khan Rural Support Program (AKRSP) and its replicas are even greater success stories of people's participation and community organization than the OPP and the Khuda ki Basti. What these RSPs have been able to do better than any other large-scale development efforts has been to organize people and enable them to be included in mainstream development opportunities (Rasmussen et al. 2003). From a poverty reduction perspective, the assumption behind this model is that people, especially the poor, are willing to do many things themselves and invest their own resources in order to better their own lives and improve the overall welfare of the communities of which they are a part. The model draws its strength from being participatory in nature rather than representative. In economic terms, the model is geared toward achieving economies of scale for poor communities (Rasmussen et al. 2003). The inception of the RSP movement and its evolution can best be understood in the context of the service delivery gap in the country, on the one hand, and the need for including the poor in mainstream economic activities, on the other. As a result, they all point to the extraordinary potential that poor and low-income people have to solve their problems and improve their living conditions, provided they are made a part of the whole process and are enabled to participate in the activities aimed at improving their lot, and provided an awareness is created among them about the positive results that such participation can have on their lives. However, whereas OPP and Khuda ki Basti were primarily housing projects aimed at providing better housing facilities to the poor and low-income groups, these RSPs have a broader perspective of rural development. We shall now briefly review the AKRSP.

The establishment of the RSPs started with the establishment of the Agha Khan Rural Support Program (AKRSP) in 1982 by the Agha Khan Foundation Pakistan as a private, nonprofit support organization for rural development, particularly for northern Pakistan (Khan and Khan 1992). The program emphasizes productivity, equitability, sustainability, and replicability. It plans with the people, building on what the villagers know and the resources they possess. Therefore, it stresses participation by the membership in social organizations in all phases of the program. It rests on the generalized principles of cooperative behavior through participation, distilled from experiments in Germany and Japan (Khan and Khan 1992). The AKRSP was established to promote the following four basic objectives:

- i) raise the incomes and quality of life of about 1 million mostly poor people in the high mountains and isolated regions of northern Pakistan;
- ii) develop institutional and technical models for equitable development;

- iii) evolve sustainable, long-term strategies for productive management of natural resources in a fragile environment; and
- iv) demonstrate approaches and packages that can be replicated elsewhere (Khan and Khan 1992).

Working on the basis of these principles, the AKRSP offered to the people a package of practical methods based on the principle of equitable participation for alleviating poverty on a sustainable basis. This included an AKRSP one-time grant for the Productive Physical Infrastructure (PPI) project. The possibility of mobilizing individual savings to use as collateral for productive loans from AKRSP was also appealing. Then there was AKRSP's promise to create new skills at the village level to increase the productive capacity of villagers. Finally, the AKRSP offered support for making production inputs available through credit and for introducing new inputs and technologies or grafting them to existing systems. Significant progress occurred on many fronts, but of all the incentives offered by the AKRSP through its package, the role played by AKRSP in the realm of training was most commendable. Initially, it started separate courses in poultry management, marketing, accounting, and appropriate technology. AKRSP now offers about 150 regular courses, in addition to several refresher courses, and organizes several field demonstrations. Since 1983, about 11,000 individuals have received instruction through the AKRSP training system. It has also provided foreign training to 32 individuals, through eight degree courses and 24 short courses in a variety of fields (Khan and Khan 1992).

The work started with the formation of village organizations (VOs) to interact on behalf of the people with the AKRSP staff. The initial purpose of the VO was to implement and maintain the PPI project, start a collective (group) savings program, and nominate and support a cadre of village specialists trained by AKRSP. However with the passage of time the VOs have acquired a longer-term perspective on village development.

A very positive aspect of the AKRSP is the fact that it never ignored women, as gender inequality can be a major constraint in improving the quality of life for women and rural households. It is even more important for the northern areas of Pakistan, where women play a major role in the rural economy and share many economic activities with the men of the household. AKRSP has assisted them separately and jointly with men to form Women's Organizations (WOs) for the same purpose as the VOs. The AKRSP has placed special emphasis on strengthening the institutional capacity of rural women to enable them to promote their welfare and that of their households on an ongoing basis. In view of the heavy workload placed on women, AKRSP has attempted

to focus on three major objectives: increased productivity, enhanced institutional capacity, and a reduced workload. The AKRSP has never neglected the training needs of women and, particularly not after 1986, when the program for WOs gained momentum.

In brief, AKRSP was able, through mobilizing communities and improving infrastructure, to enhance access to markets and to education and health care services. Not only did health care and education outcomes improve as a result of this integrated development approach, but local people's vulnerability, for example exposure to health shocks or food shortages, was also reduced. AKRSP played a positive role in improving their condition and position. The most recent World Bank evaluation of AKRSP states that the organization's high level of inputs (consistent delivery of considerable resources) was effective in delivery of a high level of outputs, had a high economic rate of return, and had a positive, measurable impact on reducing poverty (Rasmussen et al. 2003).

We shall now discuss some statistical differences which the initiation of AKRSP created in the area and lives of the people, which necessitated its replicability.

1. Evidence on incomes and poverty from northern Pakistan is available from 1991 onward and indicates significant growth in income per capita. In 1991, incomes were less than one third of the national average; by 2001 they had risen to more than half the national average. While national economic growth slowed considerably in the 1990s, the NAC (Northern Areas and Chitral) economy experienced an impressive 84% growth in per capita income.
2. While the poverty trend rose in the national economy in 1991–2001, it dropped dramatically in NAC from about two thirds to about one third of the population.
3. The incomes of VO members were found to be 15–20% higher than those of nonmembers.
4. Using conservative assumptions, the calculated estimated rate of return for AKRSP's investment falls in the range of 16–24%, well above the usual experience in similar programs in 1991–2001 (Rasmussen et al. 2003).

“At a time when ‘rural development’ as a development strategy is out of favour, the AKRSP model provides a hopeful prospect that rural development can be made to work, given half-way favourable circumstances” (Rasmussen et al. 2003). This World Bank evaluation of the AKRSP, coupled with the service delivery gap in the country and the need for including the poor in mainstream

economic activities, compelled the federal and provincial governments, international agencies, and NGOs to replicate the model. Thus the following programs were started (Rasmussen et al. 2003):

Sarhad Rural Support Program	1989
Balochistan Rural Support Program	1991
National Rural Support Program (NRSP)	1992
Ghazi Barotha Taraqiati Idara	1995
Lachi Poverty Reduction Program	1997
Tardeep Rural Development Program	1997
Punjab Rural Support Program	1998
Sind Rural Support Program	2003
Azad Jammu and Kashmir Rural Support Program	2004

In the case of NRSP, the largest RSP, it has been estimated that membership in a community organization resulted in about 7.5% higher household incomes annually. Similarly, NRSP estimates show that poverty levels were lower in member households (Rasmussen et al. 2003). Eight percent of the NRSP respondents ate their fill daily, 68% are better off than before, 50% experienced improvements in health care, and 82% experienced a sustainable increase in income after accessing credit (Rasmussen et al. 2003). A study of 35 rural water supply schemes in Punjab concluded that NRSP schemes had a higher success rate in sustainable service delivery than schemes undertaken directly by the Government and that such schemes were also more cost effective (Rasmussen et al. 2003).

Today RSPs form the largest group of NGOs working for poverty reduction in Pakistan, operating in over 70% of the country’s districts, and are still expanding their coverage (Rasmussen et al. 2003). They have maintained their autonomy and integrity through a nonconfrontational approach and according to all criteria they are justifying the purpose for which they were set up.

E. Poverty Reduction Strategy Paper, Unemployment, and Microcredit

Whereas all other programs described in this paper are projects and an end in themselves to empower people and to improve their condition, the poverty reduction strategy paper (PRSP) is a set of policies on the basis of which different programs have been initiated and can be initiated to empower people, reduce poverty, and improve social and economic conditions. First of all, the PRSP broadly outlines the government’s deficiencies:

- The vicious circle of poverty is accentuated when the governance structures exclude the most vulnerable from the decision-making process.
- Since the minimum wage is not regulated effectively, access to employment opportunities does not guarantee an end to poverty.
- Weak governance, which exacerbates the incidence and impact of poverty, includes ineffective government, inefficient allocation of available resources, weak implementation of development projects and national priorities, an inefficient judicial system, poor service delivery performance, and corruption leakage, among other things (Government of Pakistan 2003).

The paper also highlights the lessons learned from the Interim PRSP, which are as follows:

- Broad-based economic growth is a must for poverty reduction.
- Economic liberalization must continue to provide opportunities for private sector development.
- Access to education, health care, safe drinking water, and rural infrastructure are the key to better human development outcomes along with economic growth and therefore must be improved.
- The delivery of goods and services in an equitable and efficient manner cannot be ensured without good governance.

Keeping in view the deficiencies as listed above on the part of government and the lessons learned from the Interim PRSP, the Government is planning or executing quite a number of policies or projects. Since these are on an all-Pakistan basis, it is not possible to mention all of them here. We shall thus focus on microfinance and how it empowers people, particularly women.

Microfinance is fast emerging as a viable tool to address the question of poverty reduction, as it enables the poor to

- gradually build their assets;
- develop microenterprises;
- enhance their income-earning capacity;
- smooth consumption;
- manage risks better;
- achieve empowerment, especially women;
- enhance economic growth; and
- contribute to integration of financial markets.

In line with the PRSP objectives, the Micro-Finance Sector Development Program has been launched with the assistance of ADB, to broaden and deepen the microfinance market and reduce poverty. The Government has initiated a number of policy actions for the development of the microfinance sector:

- **Khushali Bank:** It is providing services in more than 40 districts, mobilizing over 100,000 households. Over 31% of its employees and 35% of its clients are women. The bank will have targeted a client base of more than 650,000 households by 2006.
- **Pakistan Poverty Alleviation Fund:** Its geographical outreach has expanded to 87 districts with a total 3.3 million beneficiaries. In view of its significant progress, the World Bank has provided a credit of \$238 million to boost microfinance activities.
- In addition, Zarai Taraqiati Bank Limited (ZTBL), First Women's Bank, Khyber Bank, and the RSPs are involved in credit allocation to small enterprises. Pakistan will extend microfinance to 1 million households by the year 2005 through the lead microfinance institutions (MFIs), new private sector MFIs, commercial banks and ZTBL, and semiformal institutions and NGOs.
- **Khushak Pakistan Program/Tameer-e-Pakistan Program/DERA:** The Government launched the Khushal Pakistan Program to improve farm-to-market roads, water supply, sanitation, water courses, etc. (a total of 17 projects). Since March 2000, the Government has provided Rs31.5 billion to finance 34,812 schemes selected through community participation. This program has generated 900,000 temporary jobs providing essential infrastructure in rural and low-income urban areas.

In addition to microfinance through the PRSP, commendable steps are being taken to empower women. The Government has taken practical steps in this regard. Women's participation rates in the governance structure of Pakistan have improved sharply. Following amendments to the Constitution and promulgation of Local Government Ordinance 2001, at least 33% of the seats in each tier of local government are reserved for women. In the National Assembly, women hold more than 60 seats out of 332, while they hold more than 128 seats out of 728 in the provincial assemblies. Similarly, 17 out of 100 senators are women. While most of these women have been elected to reserved seats, some have won general seats. Not only this, the Public Sector Development Program allocation for women's development was enhanced to Rs810 million in 2003–04 against estimated outlays of Rs600 million in 2002–03.

The PRSP has so far been quite instrumental in meeting its objectives of reducing poverty and contributing to social and economic development.

Microfinance and women's empowerment are not the only issues that have the potential to be replicated to improve the condition of the people.

F. The Devolution Plan

The best way to empower people is to involve them in decision-making processes so that they themselves can decide about the course of action for their future. The Devolution Plan is a step in this direction. It was one of the seven objectives of President General Pervez Musharraf's reform measures announced on October 17, 1999. On 23 March 2000, the Government of Pakistan announced the planned devolution of certain government functions to local governments. The new local government system is primarily designed to be people-centered, responsibility-based, and service-oriented at the grassroots level, to create an enabling environment in which the people can be the masters of their own destiny (National Institute of Public Administration 2002b).

The basic principles to be employed for the creation of the new model were the following:

- people-centered,
- rights and responsibilities
 - ❖ right to development,
 - ❖ right to participation, and
 - ❖ right to information.

The operational mechanisms employed for the purpose were

- a bottom-up methodology,
- consensus building,
- issues-based politics,
- the bridging of the rural-urban divide,
- training, and
- an entrepreneurial approach to governance (National Institute of Public Administration 2002a).

The empowerment targets were the following:

- devolution of power
- decentralization of authority,
- deconcentration of management functions,

- diffusion of the power-authority nexus, and
- distribution of resources.

The objective of the devolution plan is to devolve political power and decentralize administrative and financial authority to accountable local governments for good governance, effective delivery of services, and transparent decision making through institutionalized participation of the people at the grassroots level (Government of the Punjab 2001).

With this objective, design, and principles, the devolution plan was implemented all over Pakistan, except Islamabad, the Capital territory, on 14 August 2001. The intention no doubt was noble and, once implemented in letter and spirit, would guarantee maximum empowerment to the people. However, the system is in its nascent stages, only 3 years into its implementation period, and it might take a bit longer to deliver the goods as envisaged. No doubt there were and are problems and hiccups, but

need-based development expenditure is a tremendous success and the best achievements have been in the field of development. One district decided to pay for provision of Sui gas to a large number of its residents in the large town. Another district focused on the improvement of sanitary conditions and waste disposal. The new system has encouraged the managers and civil servants to the micro-management of administration especially social sectors. There have been reports of wonderful results from various districts. For instance, one district has upgraded facilities of about 900 schools. Despite limited availability of development funds for the district, there was no paucity of funds for education and health [care]. The decentralized purchase of medicines has weeded out corruption and improved the quality and standard of medicines (National Institute of Public Administration 2002a).

It is evident that the devolution plan is paying and the advantages are not only increasing but are meaningful as well. In conclusion, it would not be out of place to say that the concept is right. People at the grassroots level should be empowered, because this is the best way to reduce poverty and improve governance. No doubt it has faced major problems and restraints and these are likely to continue, but one must keep in mind as well that democracy in Pakistan has not had smooth sailing, even at the national level.

V. Conclusion

The projects discussed above amply demonstrate that people's involvement and active participation can lead to significant improvement in their standard of living by reducing the incidence and level of poverty. The success of those projects, which appeared rather technical, difficult to execute, and quite expensive, was made possible in a far easier and cost-effective manner through enlisting the support and cooperation of the people of the area.

The projects also conferred upon people a sense of empowerment and confidence, owing to which, instead of looking toward the government, they concentrated on their own strengths and abilities to better their lot. There has also been awareness throughout the country that much can be done by the people to alleviate poverty and provide the basic amenities of life on a self-help basis. These projects have also shown immense replicability potential, which is also a very healthy sign for the alleviation of poverty.

However, the empowerment of people through participation is not the only factor that plays a significant role in poverty alleviation. Other factors like fiscal decentralization, human resource management, improved governance, and strengthened democratic institutions are equally important and cannot and should not be ignored. Ignoring any one of these factors will yield less than satisfactory results.

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People's Organizations' Interface in Poverty Alleviation Programs: The CIDSS Experience

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I. Background

The Philippines' Comprehensive and Integrated Delivery of Social Services (CIDSS) program was launched in 20 priority provinces in 1994 as one of the nine flagship programs of the Social Reform Agenda of the Fidel Ramos Administration. In 1998, the coverage of CIDSS was expanded to include all fifth- and sixth-class municipalities and poor urban areas.

CIDSS was launched in the Province of Bataan in 1999 following the approval of the resolution adopting the CIDSS approach in delivering social services. In spite of its very high overall ranking of 0.738 (top five out of 78 provinces) in the Human Development Index in the 2002 Philippine Human Development Report (UNDP 2002: 76–77), annual reports showed a high incidence of poverty in some areas due to unemployment. Severe malnutrition was also starkly observed in fifth- and sixth-class municipalities. In third- and fourth-class municipalities, pockets of poor families could be seen amid the comfortable villages. It is in these isolated, poor, and depressed areas that the CIDSS program was carried out.

The CIDSS approach utilizes innovative strategies in providing a set of services to make sure that the technology is propagated, namely convergence-focused targeting and community organizing. There is also the total family approach, which recognizes the family as the unit of analysis and addresses its needs holistically.

The convergence approach gave way to the creation of the interagency committee at each local government level, from the national down to the *barangay* (smallest local government unit). The barangay interagency committee (BIAC), composed of barangay officials and representatives of basic sectors, opened a venue where government and people's organizations (POs) could work together in identifying and planning solutions to local problems, and deciding how and when to address them.

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The poor communities targeted by the CIDSS program benefited from the package of services, including programs in livelihood, child education and adult literacy, potable water and sanitation, and maternal and child health care services. Most poor families that were targeted felt the lack of these basic social services. For these reasons, the Ramos Administration included the province of Bataan in its poverty alleviation program.

Through these services, the head of the family could avail himself or herself of employment opportunities. The wife could not only attend adult literacy and responsible parenthood seminars, but also receive skills development training. The children received either preschool or elementary and high school education. Protecting their health was also ensured through distribution of sanitary toilets and vaccinations for both mothers and children, as well as weighing and de-worming to maintain good health and nutrition.

Although the set of services is offered in almost all select CIDSS areas in the province, the communities can avail themselves of them if they have priority needs, as can be indicated in the minimum basic needs (MBN) survey conducted in the barangays. The conduct of an MBN survey is necessary to determine the unmet needs of each family (Bautista 2002: 8).

A set of common indicators in MBN was used to gather baseline information from the community, such as the lack of survival needs (health care, food and nutrition, water and sanitation, and clothing), security needs (shelter and public safety), and enabling needs (basic education and literacy, people's participation, and family care/physiological needs) (Bautista 2002: 234). The findings served as the basis for planning to address their problems and in assessing the level of improvement in the lives of beneficiaries who received the assistance.

A. Site Selection

Nine out of 10 selected municipalities in Bataan are CIDSS areas belonging to fourth- and fifth-class municipalities, whose population, employment, and nutrition problems registered the highest. The areas prided themselves in having a stable peace-and-order situation, paving the way for smooth program implementation and monitoring. The study site in Sta. Rosa was chosen for this study due to the following reasons: i) Sta. Rosa was competing for Best CIDSS area at the time the study was undertaken; and ii) was considered a neophyte in participatory development, Sta. Rosa took the competition as a challenge. Given these criteria, Sta. Rosa's achievements in the 2003 CIDSS competition were awaited with interest.

B. Area Profile

1. Bataan Province

A first-class province, Bataan boasts historical sites, cultural landmarks, and economic resources. It is strategically located at the southwestern part of Central Luzon. Farming and fishing are the leading sources of income in the province because most of its municipalities are situated along the coast. One of these municipalities is Pilar (Province of Bataan N.D).

2. Municipality of Pilar

A fourth-class municipality, Pilar is found in the southeast portion of the province. It is bounded by the municipality of Orion in the south, the municipality of Bagac in the west, Manila Bay on the east, and the city of Balanga in the north. It has a total land area of 4,732.43 hectares or about 3.44% of the total land area of the province of Bataan. By the year 2003, Pilar was projected to have a population of 33,673 residing in the town's 19 barangays.

Pilar was merely a barrio within the town of Balanga until 1801, when the Dominican friars under the spiritual ministration of Virgen Nuestra Senora del Pilar separated it from Balanga. Pilar is noted for its historical landmarks, such as the Flaming Sword in front of the Municipal Hall and the Shrine of Valor atop Mt. Samat (*Dambana ng Kagitingan*). Tourists regularly visit these spots.

Commerce and trade in the municipality as well as industrial activities play a vital role in the development and progress of Pilar. At present, there are about 360 commercial establishments and also small-scale industries.

3. Sta. Rosa

Only a few minutes away from Balanga City, Barangay Sta. Rosa is one of the 19 barangays in the municipality of Pilar. It has a total land area of 143.32 hectares. With a population growth rate of 2% annually, it was the most populated barangay with 5,216 households in 2003. It comprises 15% of the total population of the municipality (Municipality of Pilar 2000).

Sta. Rosa is composed of 11 *puroks* or *sitios* (villages). It is bounded by the Talisay River on the west. Being divided by a main road, it gives the impression of a busy place. Motorists and other passersby see commercial establishments including service shops, drugstores, a gas station, eateries, and hardware stores along the highway. Big residences are located along the main road, one of which is the house of Pilar's mayor. One will surely wonder, with this seeming affluence and commercialism, why Sta. Rosa was chosen as a CIDSS area.

A visit to the 11 puroks can shed light. The most common type of dwelling units are concrete houses, contrasting with the shabby dwelling units found in Sitios Kapampangan, Maisan, Talipapa, and Sampaloc, where the CIDSS program was implemented.

The barangay has an elementary school, a health station, and two daycare centers, one located near the barangay hall and the other in Sitio Kapampangan. To travel within and outside the barangay, the (motorcycle) tricycle is most commonly used.

Based on the existing barangay profile, the common sources of drinking water are spring artesian and deep wells.

Sta. Rosa is primarily an agricultural area where rice, corn, and root crops such as *camote* (sweet potato) and *gabi* (taro, a starchy tuber), and vegetables are produced. In addition, livestock/poultry abound such as swine, goats, chickens, and ducks. These are the major sources of income among the households.

Some families are dependents of overseas Filipino workers. Some are also employees in the government and in private businesses (Barangay Sta. Rosa 2002).

II. The People's Organization-Government Interface

A. The CIDSS Commitment

CIDSS centers its strategies on the interface of various sectors that actively participate in planning, implementation, and monitoring of CIDSS services. This is reflected in the convergent manner by which the BIAC consolidated the management processes.

The different sector representatives, or POs, and government officials and implementors at the local level come together to interface, i.e., on health care, education, agriculture, and trade and industry, through the Technical Education and Skills Development Authority (TESDA), social welfare, etc. The PO leaders serve as partners and collaborators in undertaking development programs.

This partnership has led to productive outputs. It honed the participants' problem-solving skills as they performed key roles in addressing their problems and identifying corresponding solutions, being thus empowered and becoming self-reliant.

One of the most significant partners in the BIAC was the CIDSS Worker. She was primarily in charge of organizing and mobilizing the community, including PO leaders, to participate in the management cycle. She initiated the inclusion of Pilar as a CIDSS area, and convinced the Mayor and the

Regional Director of the Department of Social Welfare and Development (DSWD) to accept such inclusion.

Being a social worker for most of her professional life, she had seen poverty grow, particularly as in-migration increased and unemployment worsened in recent years. She assisted the barangay every step of the way: in motivating the creation of PO structures, in training them for the MBN survey, and in project development and management.

1. Active POs

A majority of the POs that actively interfaced with government in Sta. Rosa were women, farmers, and senior citizens. The women's association, or Kapisanan ng Liping Pilipina (KALIPI), had 32 members. The Farmer's Association had 43 members, while the Senior Citizens' Association had a total of 66 members.

Other POs have also participated: the Self-Employment Assistance-Kaunlaran (association) (SEA-K) (25 members), Parent's Committee (21 members), Samahang Kabataan (youth organization) (272 members), and the Rural Improvement Club (21 members). Eleven puroks representing the sitios were likewise organized, each headed by a purok leader, a vice leader, and member-officials elected by their constituents.

2. Selection of POs to Interface with GOs

In the BIAC, PO leaders represent their sector in the regular meetings. The PO members themselves elect these leaders. It is convenient that some of the PO presidents also occupy important positions in the barangay. This gives them an incentive to participate actively in barangay meetings.

The barangay committees also engage the PO leaders. The Farmer's Association president is a member of the Committee on Agriculture.

Selection of the PO leaders is done on the basis of their reputable name and achievements. The Farmers' Association leader, for instance, is a retired teacher and served in the public schools for a long time. This earned him his fellow townsfolk's high regard. He was also elected *Kagawad* (counselor) with the largest number of votes, and served until he became the Barangay Chairman when the incumbent passed away.

Another example is the Senior Citizen president. He is a former overseas worker and has always been highly regarded in the community as a responsible family man and a professional. He also serves as the barangay secretary. His constituents give him their full trust and confidence, as they believe he is committed and dedicated to protect the welfare of senior citizens.

The KALIPI president is a full-time housewife but also serves as a barangay volunteer. Her friendly nature has gained her the trust of the people, that of the women in the barangay in particular.

It can be observed that membership in the POs is not limited to just one organization. Members can join as many POs as they can handle.

III. Social Preparation for the Interface

A. Capability Building

Prior to the adoption of CIDSS, the community underwent a social preparation that paved the way for the slow yet smooth implementation of the program. Before that, Sta. Rosa did not know about people's participation. They were hesitant, if not suspicious, about the program. It took some time before the people yielded to the invitation of the CIDSS Worker to attend the orientation meetings. Undaunted, the CIDSS Worker started conducting briefings with the barangay officials on the rationale and concept of CIDSS. She subsequently organized the community in the latter part of 1999. Through the recommendation of barangay officials and residents, she encouraged volunteers from the different puroks to join the briefing and eventually convinced 15 of them to attend the 2-day training for the MBN survey. The barangay officials also participated in the survey.

A focus group approach was adopted for easier data collection. The families that did not attend the focus group discussions were visited in their homes by volunteers to collect the information needed for the MBN survey. The data consolidation took 2 months, without any incentives for the volunteers. The MBN results were later discussed with the barangay officials and volunteers for identification of priority needs.

B. Addressing the Top 10 Unmet Needs

The problems were ranked from most urgent to the least depending on the number of families who expressed these unmet needs. The consolidation of the top 10 problems that emerged from the survey is found in Table 1.

As observed by the volunteers and service providers, the interface among them and barangay officials, together with the CIDSS Worker, made the

planning process convergent and participatory, the very essence of the CIDSS approach.

Table 1 shows that the survey mostly indicated survival and enabling problems such as food and nutrition, health care, water and sanitation, basic education and literacy, and lack of participation in organizations and elections. Security problems were also noted, as shown in the lack of income and employment among families.

Table 1. The Community Development Plan: Top 10 Unmet Minimum Basic Needs

Rank indicator		Baseline % (1999)	Recent% (2001)	% of MBN Reduction
1	Children 3–6 not attending day care/preschool	98	10	90
2	Families with no income above subsistence threshold level	86	10	88
3	No access to sanitary toilets	84	0	100
4	Solo parents not availing themselves of health services	84	0	100
5	Newborns with birth weights below 2.5 kg.	83	5	94
6	Other family members 15 years and above unemployed	78	0	100
7	More than one diarrhea episode per child below 5	74	0	100
8	Family members not involved in at least 1 PO	74	0	100
9	Children 13–16 years old not in high school	72	5	93
10	Infants not breastfed for at least 4 months	67	0	100
Ave. % reduction				96.5

MBN = minimum basic needs; PO = people's organization.
Source: Municipal Social Welfare and Development Office, Municipality of Pilar.

To respond to these problems, the CIDSS Worker requested services from DSWD. It took some time before the package of services was provided, especially in addressing the most pressing needs, that of children of preschool age not attending day care/preschool and that of unemployment. Daycare centers were constructed. Self-employment services were provided through loan assistance (Table 2).

The second MBN survey was conducted in 2001. The assessment showed similar problems, with the same order of priority, but the number of families that identified these problems was much smaller. This meant that a meaningful diminution in the unmet needs had occurred.

Basic education and literacy topped the list, followed by income and employment, family care/psychological needs, and food and nutrition. The services of which target families availed themselves made a significant impact, as the average rate of reduction in the incidence of the top problems was 96.5% (Table 1).

To further assist the families with needs that were still unmet, programs to address education were provided, i.e., expansion of the daycare center. A playground was provided in 2001.

Unemployment was also addressed by distributing animals for fattening and dispersal, as well as vegetable seedlings, provided by the Department of Agriculture (DA). Skills training in high-speed sewing and tailoring, as well as food processing, were likewise given in coordination with the Department of Education (DepEd). Additional training in candle-making was also coordinated with the Provincial Social Welfare and Development Office (PSWDO).

To address unemployment problems, the SEA-K Association was made available to 30 families, in addition to the 25 families who took advantage of it in 2000. DSWD provided the financial assistance, which totaled P250,000.00 for fiscal years 1999–2000 and 2001–2002.

Each family submitted a project proposal specifying the type of business it wanted to undertake. Once the proposal was approved, a P5,000 loan was provided, following a small business management seminar and skills training necessary to prepare them for their choice of business. The majority used their loans for the purchase of seedlings for vegetable farming, livestock raising, setting up a *sari-sari* (food/variety) store, food processing, and candle-making, among others.

The SEA-K beneficiaries managed the program by organizing themselves and choosing their officers, who made sure that loans were paid off. The 1-year repayment period was successfully met in 2000, which sustained the SEA-K into 2002. This further expanded the reach of SEA-K beneficiaries.

To help family members in advancing their level of education, DepEd organized a literacy class for 20 adults, both men and women. Another program, the “*Sulong Dunong*” (a project literally translated “advancing knowledge”) provided financial assistance to an indigent student for his or her school needs. This was supported by DSWD.

Health care and sanitation needs were also addressed. DSWD undertook vaccination programs for pregnant women, construction of sanitary toilets, and installation of deep wells for the needy. As part of their school practicum,

the nursing students of the Bataan Polytechnic State College coordinated with the Rural Health Office to conduct a medical mission that included medical checkups, de-worming of children, and provision of free medicines to target families (see Table 2).

To support CIDSS, the barangay provided counterpart funds for honoraria/allowances for the health volunteers and assistance for the conduct of skills training and MBN surveys.

Table 2. CIDSS Programs Implemented in 2000–2002

Projects	Targets	Financial support	Source
1999–2000			
SEA-K	25	P125,000	DSWD
Daycare Construction	60	450,000	DSWD
MBN Training of Volunteers	15	3,000	DSWD
CIDSS Billboard	–	4,000	DSWD
CIDSS Orientation	–	3,000	DSWD
CIDSS Launching	–	9,000	DSWD
Participatory Leadership Development Training	25	11,000	DSWD
2001–2002			
SEA-K	30	P125,000	DSWD
Animal Dispersal	6	3,000	DA
Distribution of Vegetable Seeds	30	1,500	DA
Candle Making	17	800	PSWDO
Toilet Construction (cash for work)	38	17,000	DSWD
Medical Mission	80	5,000	BPSC/RHU
Construction of DCC Kitchen	60	12,840	DSWD
Livelihood Training	30	1,500	DA
Provision of Playground Equipment	60	25,000	DSWD
Sulong Dunong	1	3,000	DSWD
Installation of Deep Wells	50	100,000	DSWD
Provision of Two Tetanus Toxoid Shots for pregnant mothers	10	–	RHU
De-Worming of Children	30	–	RHU/BPSC
Literacy Class	20	5,000	DepEd
Skills Training	20	3,500	DepEd

BPSC = Bataan Polytechnic State College; CIDSS = Comprehensive and Integrated Delivery of Social Services; DA = Department of Agriculture; DCC = Day Care Center; DepEd = Department of Education; DSWD = Department of Social Welfare and Development; MBN = minimum basic needs; SEA-K = Self-Employment Assistance–Kaunlaran (association); RHU = Rural Health Unit; SEA-K = Self-Employment Assistance–Kaunlaran (association); Sulong Dunong = “Advancing knowledge” education program.

Source: Municipal Social Welfare and Development Office, Municipality of Pilar.

IV. Perceived Capability in Decision-making and Performance of Functions

A. Assessment of Capability

Usually, PO leaders who engage with government are most active and interested in development work. With the capability building seminars given them, the PO leaders and their members were not only equipped with the necessary knowledge and skills to perform their function; the seminars also widened their perspective about what they might actually achieve for their sector. The participatory leadership seminars and the skills training in the preparation of resolutions and project proposals, as well as project management seminars, gave them the necessary management tools for doing their job, particularly making decisions.

The capability-building efforts facilitated by the CIDSS Worker produced both tangible as well as intangible benefits for the POs. The perception among the recipients was that they gained not only technical knowledge and management skills that helped increase their market value. More important, they developed self-discipline, fostered camaraderie among themselves, and strengthened their sense of unity and teamwork. They also believe they gained self-confidence and became more capable of undertaking community service. The seminars also strengthened their commitment and sense of volunteerism in helping their constituents. Inevitably, the knowledge they learned from the seminars further enhanced their freedom of self-expression. They also enjoyed the respect accorded them by the community.

The increasing level of participation among POs likewise transformed the barangay officials. From being accustomed to the authoritarian management approach, they are now actively interfacing with POs. This paved the way for a democratic and dynamic interaction with the people, resulting in synergy of action that has produced more output in programs and projects.

It should be noted that, prior to adopting the CIDSS strategy, the residents of Sta. Rosa had practically no idea what participatory governance was all about and how their voices would count. A visit to the barangay then would have given a dismal picture, particularly in Puroks Kapampangan, Maisan, and Talipapa, where the scene was typical of a depressed urban area. Shanties, held together only by thin pieces of used wood, stood along the dike that lined the river separating Sta. Rosa from Balanga, the provincial capital. The poor physical conditions in the barangay resulted in the deterioration of the health and sanitation conditions of its people. Not surprisingly, low satisfaction levels about their social conditions widely prevailed in these areas.

Nowadays, however, the people are no longer oblivious of their surroundings. The residents are more aware of their own problems, are more open, and can speak freely of their needs, as perceived by the barangay officials. Even the residents are aware of these changes in themselves.

A system of consultation with POs and leaders, together with the local government, is evident. They believe this came about as a result of CIDSS. In previous years, people simply waited for services to arrive.

By means of the various CIDSS capability-building seminars, PO leaders have become critically aware of their usefulness and responsibility in helping their community address its own problems. They not only assist in fixing the problem; they now serve as convenient “hands” to the barangay officials in various capacities.

B. Engagement in Various Phases of Governance

As mentioned before, the CIDSS is the only program that involved the active participation of POs in the barangay. Most of the community structures that have recently been established are requirements of the CIDSS approach. These structures activated the level of community interface between POs and governments in the planning and implementation of programs.

The increased interface was observed particularly in the active participation of the women's, farmers', and senior citizens' representatives in planning and implementation. They are deeply involved in coordinating with other agencies to provide support for their identified projects.

In the case of the farmers' association, the president went out of his way to coordinate a study tour in Nueva Ecija. He also initiated a few livelihood projects. The Senior Citizen president is also actively networking with the Senior Citizens' Federation at the regional and national levels to further strengthen their linkages. The association takes care of its members by providing financial support to each member. The financial assistance is derived from the members' monthly contribution for medical and funeral needs.

The KALIPi, or women's group, is the most active in the MBN surveys and consolidation, as well as in prioritizing unmet needs of the barangay. KALIPi is the one behind the identification of CIDSS projects, screening of beneficiaries, and information campaigns. The women also coordinate social activities such as mother's day celebrations, street dancing, and a beauty contest, projects that were initiated by the local government unit (LGU). On the other hand, the SEA-K association is more involved in each phase of the management cycle of situation analysis, planning, implementation, and monitoring of their activities (see Table 3).

Table 3. People's Organization Projects and Activities and Involvement in the Management Cycle

PO	Activities	Involvement in the Management Cycle
SEA-K association	Conducted the loan assistance program and skills training	Planning, implementation, and monitoring
KALIPI	Conducted the MBN survey participated in planning and implementation of CIDSS projects Set up sports fest, street dancing, and Mother's Day celebration Helped in information dissemination	Situation analysis, planning, implementation
Farmers' Association	Conducted "clean and green" activities Implemented livestock and poultry activities such as swine and poultry dispersal, vegetable propagation Initiated and organized the " <i>lakbay aral</i> " for farmers involved in planning projects	Situation analysis, planning, implementation, monitoring
Rural Improvement Cooperative	Implemented livelihood activities for mothers (i.e., milkfish deboning, <i>siomai</i> and <i>pastillas</i> making, swine dispersal)	Planning and implementation
Parents' Committee	Volunteered in the clean and green, supplemental feeding projects	Implementation
Senior Citizens' Association	Assisted in clean and green project Provided financial assistance for medical and funeral needs of senior citizens Helped in traffic management and calamities Coordinated cultural programs	Planning and implementation
Samahang Kabataan	Assisted in the sports fest and street dancing events	Implementation
Purok organizations	Organized clean and green activities Maintained peace and order and resolved petty disputes	Implementation

CIDSS = Comprehensive and Integrated Delivery of Social Services; KALIPI = Kapisanan ng Liping Pilipina (women's organization); MBN = minimum basic needs; PO = people's organization; SEA-K = Self-Employment Assistance-Kaunlaran (association).

Source: Interview with key informants, 24–25 April and 6 May 2003.

Most of the PO leaders are not only engaged in concerns related to their sector; they also do volunteer work during calamities and assist their neighbors in babysitting, among other things.

The PO leaders themselves believe that as long as their assistance is recognized and readily accepted by the officials, they will continue to support the community in its development efforts, whether in planning, implementing, or monitoring its activities.

C. Structures and Feedback Mechanisms for Accountability

Information dissemination becomes more systematic and faster through the purok leaders, as they are closer to where the information should reach. The PO leaders also relay information to their members, thus contributing to people's easy access to information and promoting transparency on the status of services and programs.

General assemblies are venues for letting the community know about ongoing barangay programs and projects. In these assemblies, the community can consult the officials and POs regarding their problems and potential activities that can be pursued by the barangay. This manner of sharing information is very effective, as it provides the community with a way of checking for accountability of service providers and administrators in the barangay.

Since the PO members have chosen their leaders themselves, they are assured that these leaders have an adequate sense of accountability to their associations. Regular meetings also ensure transparency as PO leaders report the financial status and accomplishments of the PO to their members.

For instance, the SEA-K subgroups meet every month to discuss the status of loan repayments and share problems, among other things. The KALIPI members are also members of SEA-K. Thus, they meet on a regular basis, or sometimes discuss KALIPI matters in their SEA-K meetings. Likewise, the farmers' and senior citizen associations hold monthly meetings to update members on the progress of ongoing projects as well as the planning of future ones, and to learn how the members are doing with their individual projects.

A recording system of PO activities is also available. This is made possible by the regular monitoring of the CIDSS Worker, who requires the POs to submit regular reports on the progress of their projects.

V. Broadening Representation across Sectors

The farmers, senior citizens, women, and youth are the basic sectors actively represented in the interface. Other POs, such as the parents' committee, the Rural Improvement Club (RIC), and purok associations, are also active in assisting the barangay in development activities. These engagements indicate a broad representation of basic sectors in local governance, a reflection that PO-government interface is alive in Sta. Rosa.

Even within the POs, leadership is not limited to the president alone. In the case of the SEA-K and KALIPI, sharing of responsibilities is very distinct. The SEA-K has a secretary who assists the president and prepares the attendance and meeting agenda; a treasurer who takes charge of collecting and depositing collections to the bank; and an auditor who checks and records the collection each month.

The SEA-K is divided into five groups. Every member is given the chance to lead his or her group; each one takes a turn in doing so. It is the responsibility of the group leader to monitor the group's performance, i.e., that payments by each member are timely and that problems are resolved. This setup gives the members a broader opportunity to represent their constituents and make decisions for their small groups, thus giving them the necessary leadership exposure and experience to develop them for bigger roles in the future.

However, this observation cannot be made of the Farmers', Senior Citizens and RIC groups. The presidents of these POs initiate the majority of the initiatives and activities, such as following up projects with the LGU and monitoring the members.

In the case of the RIC, the officers complained about doing all the work most of the time while some members are not active and are just waiting for services to be provided. However, they were quick to add that since the members are mothers, they do not have enough time to get involved in the group's activities.

The same can be said about the Parents' Committee, which merely assists in the Day Care Center's activities. They participate little in planning the activities, as these are mostly initiated by the Pilar Municipal Social Welfare and Development Office (MSWDO).

VI. Accomplishments of POs

The POs have provided support to the barangay in various capacities. Through the recommendation of barangay officials, the CIDSS worker selected the first batch of loan beneficiaries in the SEA-K. Selection was based on i) unemployment, ii) availability to attend the pre-membership meetings, and iii) ability to attend the basic business management skills development seminar.

To further orient them about the loan assistance program, the members attended a 3-day seminar on the SEA-K credo. The seminar, sponsored by the PSWDO, included topics such as the importance of loan repayment, as this determines the success of the SEA-K program.

Most of the activities engaged in by the women's group were on culture and the arts, particularly in the coordination of sports activities, street dancing, and the Mrs. KALIPI beauty contest. They were also involved in the conduct of the MBN surveys and in disseminating information to the puroks.

The Farmer's Association initiated the livestock and poultry projects, such as swine and poultry dispersal and vegetable propagation for farmer-families. For these projects, the association, through its president, sought the assistance of the Municipal Agricultural Office (MAO). The members also organized a "*lakbay aral*" visit to Central Luzon State University to observe modern farming technology.

For its part, the RIC engaged in livelihood projects sponsored by the MAO. These projects included food processing, such as milkfish deboning, sweet delicacies, and swine dispersal.

The Parents Committee, composed of parents of daycare children, assisted in the regular supplemental feeding project. The Senior Citizens provided financial assistance for medical and funeral needs of senior citizens. They assisted in maintaining traffic flow along the highway and assisted in time of calamities, and also helped coordinate cultural activities in the barangay.

The Youth group helped the women's group in the sports fest and street dancing projects by attending to the more laborious aspects of the project.

Not to be left behind are the purok organizations, which have regular responsibilities to carry out. They maintain peace and order and settle petty disputes in their respective puroks. They also assist the officials and service providers in information dissemination on matters concerning health care, sanitation, garbage collection, and other socioeconomic problems.

Most of the POs also participated in the annual "clean and green" activities (Table 3). Indeed, the various accomplishments of each sector are evocative of active people's participation in the barangay.

A. Contribution of Sector as a Result of Participation

Given their participation in the barangay at different levels, the POs consider their contribution significant, not only for pushing for a better quality of life for their own sector, but also for creating a more desirable and enabling environment for the whole community. The alliance brought about an effective partnership that made local government operations more transparent and accountable.

B. Contribution of PO Participation to Personal Life

Many believe that the experience of interfacing with local government leaders and implementers has allowed change to happen not only intellectually and emotionally, but also behaviorally. It made POs realize they can still improve themselves as well as develop their self-confidence and discipline. It can prepare them for the gigantic task of serving their community.

Despite their enhanced capacities, the POs know they need each other to achieve their goals. They have yet to strengthen their mutual trust and maintain openness between and among themselves, as building the community requires teamwork and the participation of all.

C. Degree of Satisfaction in Engagement in Terms of Depth of Participation

The POs seem adequately satisfied with their participation in the barangay. However, they see the need for improvement in the quality of interface with government. They believe that in order for this to take place, the warm and open acceptance and recognition of their significant contributions to social change is needed.

They also believe they have to broaden their understanding of their role in order to intensify involvement and commitment in the interface. They intend to do this by identifying more activities and projects that will meaningfully address their needs and uplift them from poverty, with the help of the community and local officials.

VII. Government Facilitation of People's Organization Engagement in Poverty Alleviation Programs

The introduction of the CIDSS approach in many barangays facilitated the engagement of people in improving their social conditions. In Sta. Rosa, for example, the creation of POs through the CIDSS worker enhanced the PO-government interface. It mobilized and organized the people and made them aware of their problems as well as how to address them. This process enhanced their ability to take action, decide what to do and how to do it, and demand support for these actions. The CIDSS funds also facilitated the delivery of properly identified projects that responded to the problems of the community.

VIII. Problems in the Interface

With the heightened enthusiasm of POs for alleviating poverty in the community, the POs' level of expectation from government is high, so much so that they get easily frustrated when the LGU does not immediately respond to their needs.

The new set of barangay officials is perceived to be unaware of the status of CIDSS projects, since the projects were already ongoing when they assumed office. However, the officials revealed that they have integrated the results of the MBN survey in their development plan and have provided counterpart funds for CIDSS projects. This is reflected in the programs and projects supported by the 20% Barangay Development Fund for 2000–2003. The funds were used to complement CIDSS programs such as the clean and green, nutrition and population, health care and sanitation, and anti-drug campaigns, and the repair and maintenance of deep and shallow wells. Programs for 2003 also support social development projects, even though the CIDSS ended its financial support.

Still, POs expect much from the LGU. They became frustrated when their problems were not responded to immediately. They suspected that the LGU dilly-dallies because it prefers to prioritize infrastructure projects. Yet, because of the POs' continued persistence and lobbying, they think, the officials eventually realized the urgency of their concerns and gave in.

Another apprehension of the POs is the program's sustainability. Though everyone participates in the planning, some of the POs slowly disappear during implementation. Sustaining the projects now that CIDSS support has ended is something that the POs themselves have to deal with. They think that barangay officials should continuously monitor to keep POs on their toes.

A. Needed Improvements

The POs and NGOs have to develop a mindset of cooperation with government in delivering basic services to alleviate poverty. It is necessary for them to establish their credibility as a responsible and dependable team player that the government can trust and from which it can expect good performance. The government, on the other hand, needs to constantly encourage NGOs/POs to be partners in governance by listening to their demands and showing their support of their concerns.

B. What More Can Be Done in the Interface

The PO-government interface may be alive in Sta. Rosa, but it is far from perfect. The PO leaders recognize problems in the quality of their participation as a result of their limited understanding of their roles in the interface. They view their participation as restricted, given their inadequate experience in government affairs. Thus, they need to understand that their relationship with government is not a one-way path and that their opinions and ideas can be as innovative and useful as those coming from the experts.

IX. Lessons in the Interface

Many lessons have emerged, as perceived by the different participants in CIDSS, from the most formal to the most trivial. Most regard their experience in barangay governance and the skills they have developed as foremost among the lessons learned in the interface. Others were elated over the rare opportunity to get face-to-face with local officials, particularly in meetings and community activities.

Aside from the new skills, they recognize their transformation from passive observers to informed citizens. The engagement encouraged them to further participate in barangay activities and develop their self-reliance. They realize that they can be agents for change for the benefit of the needy, which is the ultimate expression of service and of selfless giving for the welfare of others.

X. Gaps to Be Addressed

Although the POs are always encouraged to participate, the officials should seek to enhance their involvement by having them interface in every activity

from situation analysis, planning, and implementation to monitoring projects to ensure sustainability. It also helps that the officials themselves give POs due credit for their involvement.

The POs need to step up their initiative in introducing new ideas and programs that can appropriately respond to their felt needs. For instance, the Parents' Committee must be encouraged to introduce new programs and not only depend on the MSWDO initiatives. The youth sector can also be more active by initiating other activities, such as marathons for fund raising or skills development and livelihood activities. The RIC can be more active by involving the members not only in serious endeavors like livelihood programs, but also in cultural and social-oriented projects like sports, mothers' day, and the barangay fiesta.

Further, these POs can be effectively utilized for disseminating information and assisting in beautification and environmental concerns. Requiring the POs to monitor their own programs and projects will also allow them to assess whether they have successfully performed in these projects so that they can make the necessary improvements.

XI. Conclusion

The CIDSS collaborative engagement in Bataan was enlightening and fruitful for the PO leaders who were given the opportunity to express their interests and exercise their rights as well as perform their duties and responsibilities as citizens in alleviating their plight. It brought out their creativity and strengthened their trust in government.

The engagement was a welcome relief for the barangay officials, whose responsibilities as barangay administrators were made less complicated through the POs' participation. They appreciated the assistance offered by the PO leaders in making public service a shared responsibility. Thus, public officials have become more accessible and responsive to their constituents' needs, accountable for their actions, and willing to promote good governance.

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The Institutional Design and Citizen Participation in Local Governance

Keng-Ming Hsu and Chun-Yuan Wang¹

I. Introduction

Local government is the frontier of governance, and the quality of local government is related to the welfare and benefits of the citizens. Local governance plays a very important role in modern public administration. Public administration stresses the views of New Public Management (NPM) at the end of the 20th century, and it emphasizes the importance of customer orientation to enhance the effectiveness of and competition within local government. However, it is not apparent that a scenario where NPM principles dominate the administrative functions of a local government is compatible with an increasing demand for citizen participation.

Recently, research into local governance has become a popular subject. Scholars of public administration, however, do not define the core values and concepts of local governance clearly. Besides, there is no doubt that at this time local governance has some institutional problems of its own. It is most important to note that if we use the term without the concept of citizen participation, local governance will in fact become a source of troubles.

In this paper, several points will be discussed. First, we will review the formation of local governance using the approach of NPM, and will review the related problems. Second, we will discuss institutional problems and solutions from the viewpoint of institutional design and reform when local government adopts the measures of local governance. Third, we will discuss measures related to how local governance connects with citizen participation; and finally, we will analyze the case of local governance in Taipei, China.

II. Formation of Local Governance with a New Public Management Approach

Starting in the early 1980s, some countries were under financial pressure, and a wave of reorganizing the structures of government began to occur. New

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ideas emerged. Some scholars stressed the importance of effective management and of redefining government functions. What emerged was a new paradigm, known almost universally as NPM. Its main idea is to reestablish democratic principles in governments by reducing the ambiguities of delegation. Its main features:

- devolving authority and added flexibility;
- ensuring performance, control, and accountability;
- developing competition and choice;
- providing responsive service;
- improving the management of human resources;
- optimizing information technology;
- improving the quality of regulation; and
- strengthening steering functions at the center (Jan 1999: 75).

From these features, we may infer that NPM is about achieving higher levels of performance by governments. Some countries have adopted NPM-style government reforms to improve governmental and managerial performance.

The general mission of NPM thinking is achieving better governmental performance in democratic regimes. A key concept of NPM is managerialism. Managerialism stresses the following: hands-on professional management, explicit standards and measures of performance; managing by results; value for money; and, more recently, closeness to the customer (Rhodes 1997: 48). This transformation of the government involves less government but more governance (Osborne and Gaebler 1992: 34). Some organization experts had introduced the NPM-inspired government model and a set of government roles during the final decade of the 20th century. Around the same time, in Taipei, China, some consultants or scholars, such as C. Jan (1999) and T. Lee (1999), had also introduced the NPM-inspired governance models and roles.

Above all, local government transforms the main governance issue into an interagency working group or partnerships among organizations. NPM advocates less input control and more emphasis on evaluation and performance, with the criteria used in the evaluation largely driven by the private sector rather than by bureaucratic theories. It accords a lesser role to the state and more to market forces. So the government's reform emphasis on the boundaries among organizations has become very blurred (Pierre and Peters 2000: 64–65). The Organisation for Economic Co-operation and Development (OECD) notes that for the public sector to remain responsive to the needs of those it serves, governments must be willing and able to learn about client needs and adjust the provision of services accordingly (OECD 1995). Decentralized

management would provide feedback from clients and ultimately enhance consumer choice (Yeatman 1990: 3). Incrementally, some scholars and proponents have taken off from NPM techniques and philosophies to improve upon the public sector's performance

In recent years, some public administration scholars have questioned and even criticized the NPM approach. Although NPM ideas and reforms help provide multiple opportunities to local government, they blot out the role of local government and decrease the connection between local government and citizens. So, many scholars have also suggested strengthening local governance to offset the disadvantages of NPM (Pierre and Peters 1998: 231–233).

Governance can be defined as “the tradition, institutions, and processes that determine how power is exercised, how citizens are given voice, and how decisions are made on the issues of public concern” (Denhardt 2002: 4). Bovaird and Löffler (2002: 16) define local governance as “the set of formal and informal rules, structures and processes defining the measures with which individuals and organizations can exercise power over the decisions by other stakeholders capable of affecting their welfare at the local levels.” According to the definition, perfect local governance involves six groups of stakeholders: citizens, third sector (such as nonprofit organizations, nongovernment organizations, etc.), business, media, higher-level government, and local authorities. This means that governance includes cooperation, competition, and conflict management. The main issue for governance is whether it constitutes a new paradigm of how to solve common problems and create win-win situations for all stakeholders. However, just as NPM is not a panacea for all conditions, governance also does not provide a complete answer to all current challenges to the public sector.

III. The Institutional Perspective of Local Governance

From an institutional perspective, governance involves creating capable political actors who understand how political institutions work and are able to deal effectively with them (Anderson 1990: 196–197). Institutional governance involves building and supporting cultures of rights and rules that make possible the agreements represented in coalition understandings. It involves building and supporting identities, preferences, and resources that can make a polity possible (March and Olsen 1995: 28). It is related to many institutions that are not suitable when the idea of governance is propagated. So we have to consider the institutional issue of local governance.

Local governance will influence the existing framework of local government. When the idea of governance is propagated, some mechanisms

have to be adjusted. Such institutional reforms have to stress the relationship among local governments in a political system: on the one hand, it is a subordinated level expected to effectively implement the objectives of the higher levels of government; on the other hand, local government has to offer space for democratic choice for local actors in accordance with local preferences (Page and Goldsmith 1987). These reflections point to institutional reforms in local government as one approach to solve government failures in participation, transparency, and effectiveness.

One way to guarantee efficiency is to monitor performance through continuous policy evaluation. Parts of these budget-oriented reforms are changes in the organizational structure, especially changes that seek to strike a new balance between the public and private sectors: in other words, the introduction of market-type mechanisms to public tasks. This has become a key part of management reform strategies: government positioning in a competitive environment. Among the various reforms mentioned, there are several that stand out (OECD 1995: 36–44). In Taipei, China, for example, we can see some cases; these include the “build-operate-transfer” model (such as the Taiwan High Speed Railroad Company) and the public-private partnership (such as contracting out).

In addition, models are still being developed. These models will help take the evaluation of local governance further. For example, the Commonwealth Association for Public Administration and Management (CAPAM) has, as of this year, initiated an award for innovations in governance. There are nine criteria in the CAPAM evaluation process:

- partnering,
- accountability,
- communication and information revolutions,
- demands for citizen engagement,
- integration of horizontal and vertical management,
- maintenance of policy coherence in a fragmented policy community,
- political or parliamentary structures,
- evolution in required human resource competencies, and
- values and ethics.

Promoting local governance, therefore, means local government accepting the influence from outside and amending the existing laws. Then, local government has to combine the ideas of governance with laws to create new mechanisms. Citizens would disapprove and resist if local government promoted new mechanisms that would negatively affect their benefits. So there is a focus of tasks at the local level as well as of the expectations of citizens toward local government.

Hood (1995: 15) observes that “unintended effects of policy and management measures are a recurring theme in social science.” Local government reforms also tend to emphasize legitimacy. A traditional reform path has stressed the accountability of officeholders. Local governance focuses on the efficiency of local politics and administration, while “alternative modernizers” have stressed the element of direct citizen participation.

As Blair (1998: 13) notes: “Local government will still deliver some services but their distinctive leadership role will be to weave and knit together the contribution of the various local stakeholders.” One of the important stakeholders is the citizens; we will therefore discuss the ties between local governance and citizen participation in the next section.

IV. Local Governance and Citizen Participation

New governance institutions are being developed at the local level that require local authorities to consult with, and directly involve, the general public on an ongoing basis. It is important to recognize a number of practical issues that concern participatory mechanisms. Among those questions that have been raised in debates about participation and local participative structures in a number of countries are the following: (Beauchamp and Dionne 1997: 112–118):

- the need for continuity, and for processes to be institutionalized;
- the frequently very high financial costs of consultation and participation;
- whether the complexity of some issues for decision is compatible with participation;
- whether to involve in decisions a large group of people, which might result in relatively superficial opinions, or a small group, to obtain more developed opinions;
- the prospect of creating new elites, and processes being captured by minority groups or the well mobilized; and
- opposition from the professional bureaucracy to increased participation.

Local government is the frontier of governance, and the quality of local government is related to the welfare and benefits of the citizen. Local government is experimenting with “finding new forms of legitimacy for decisions made in loose networks of relationships. This strategy requires trials and errors and constantly searching for solutions that work in both the functional and democratic senses” (John 2001: 166). But because unlimited

citizen participation will become populism, public administration scholars have aimed at “deliberative democracy.” The philosophy of deliberative democracy is social justice. It means that everyone should have equal opportunity to participate in public affairs. In the context of deliberative democracy, local governance would play a very important role in affording citizens an opportunity to participate and in establishing some norms. Lindblom (1965) noted that effective governance is actually generated by participation. So “participation is the most valuable element of representative democracy. In that context, accountable representatives have the authority to evaluate needs, balance demands, arrange priorities, and monitor the outcomes of the political system” (Lowndes 1995: 169).

Clay researched the process of public institution building and pointed out the meanings of citizen participation in local governance (1996: 109–110):

- serving as an important means of meaningful negotiation, both within the public institution and with its policy subsystem;
- building relationships within the public institution and among institutions;
- resting on a degree of trust among the participants;
- requiring both explicit and implicit rules and norms to guide performance and behavior;
- becoming institutionalized through the infusion of institutional values; and
- requiring continuous interaction to be maintained but with some degree of institutional memory.

Some scholars agree that citizen participations has two advantages. One is that participation is in the first place important in defining the expected outcomes of political interventions, together with the policy; the other is that participation is effective in the realization of policy objectives because it can help solve problems associated with making and implementing policy (Haus and Heinelt 2004).

Citizen participation can certainly contribute to good governance, if it is targeted at enhancing the deliberative quality of policy making and at activating the endogenous potential of local communities. If local communities could contribute to citizen participation by making the public sector closer to the citizens at the local government level, neighborhood and grassroots organizations are important for more responsive governance. Therefore, citizen participation could act as a real source of strength for a public sphere well informed of its responsibility to safeguard its interest in establishing a system of accountable and transparent governance (Salih 2003). Hence, the connection between decision

making and deliberative democracy is very important. Local government has to prepare and build well-designed institutional and managerial mechanisms.

One of OECD's projects picks up on this renewed recognition of citizen agency. The project is entitled "Strengthening Government-Citizen Connections." It recapitulates that the conditions of local governance have made the policy-making process highly complex and virtually unfathomable to the ordinary citizen. At the same time, some scholars are noting, "Many citizens are faced with such complexity and the perception of a loss of influence over national and local policy decisions, and they are complaining of a democratic deficit" (PUMA 1999).

However, even though citizen participation could assure effective governance and increase legitimacy, it has some disadvantages as well. First, governance and legitimacy depend on their forms, in that they are selective of the citizens involved, but citizen participation seldom covers all levels of citizens, and instead groups only those who would be affected. Thus, the principle of political equality, requiring equal opportunities to participate in the decision-making process, is not fulfilled (Dahl 1989). Second, while in most cases at least some of the outcomes must be transformed into binding decisions by representative bodies, the crucial difference between i) a traditional process of government, and ii) a process resting on interactive governance as well as some component of formalized government is that in the latter case the particular outcomes would not have been possible without the participation of societal actors (Haus 2003). Third, there is always the danger that those who are not well mobilized to represent their views may become even more marginalized by the process. The most marginalized citizens in society are not heard through participatory mechanisms. On the other hand, those who shout the loudest and whose voice is heard may not always be the most representative. One potential solution to overcoming this distance might be to put in place arrangements by which representative democracy is complemented by increased mechanisms for public participation and increased contacts between government and civil society (Boyle and Humphreys 2001: 80).

Some scholars have suggested that local government should propose some mechanisms to encourage citizen participation. One of the mechanisms is a measure to build up the local citizen participation network through information and communication technology (ICT). Such a mechanism is called "digital democracy." The measure of digital democracy includes the following (Clift 2002):

- e-mail notice,
- in-person public hearing recordings and materials,
- online public hearings and consultations,

- wired politicians who reach out and serve,
- local civic deliberations and global networking, and
- e-voting.

One of the bases for the reform process is the introduction of ICT for all employees in government, especially in local government. The organization-wide use of ICT not only makes service delivery more efficient; it also breaks down communication barriers between professional groups within the local authority. Nevertheless, the local councils are only interested in the ICT project to the extent that it helps to reduce the budget deficit. In particular, they have not been able to use ICT as an instrument to improve the information basis for political decision making. Furthermore, ICT has not been used as a means to improve communication with citizens. Even though some basic information about local services is provided to the citizens on the Internet, the local authority has taken no steps to open up real dialogues with citizens through ICT (Bovaird, Löffler, and Parrado-Diez 2001: 8).

In particular, e-voting in public elections seems to be an extension of digital democracy. We view it as tinkering around the edges of digital democracy, having the technical capacity to make voting more convenient for citizens. With the proliferation of e-voting methods, we should put more emphasis on the participation of citizens. Furthermore, we should focus more on such groups as the youth, who tend to be less involved in political activities.

The participation by voters that is essential to a healthy democracy could be increased with the use of Internet technology. The digital divide between those who do and do not have computers and access to the Internet decreases every day as Internet technology becomes more affordable. Internet voting could also create gains in efficiency and effectiveness for voting technology, democracy, and the voting process. Internet voter registration could efficiently and effectively accomplish this and could also increase overall voter registration, especially among young people, who have always had the lowest levels of voter registration.

Thus, e-channels could create a more efficient and effective voting process. The efficiency and effectiveness of e-channels could also result in increased voter participation. Clearly, e-voting could increase voter participation rates among those who have never voted or have voted infrequently. However, while the Internet could yield many potential benefits to the democratic process, some shortcomings may need to be overcome first.

V. The Experience in Taipei, China

Local governance in Taipei, China is in a period of transition. According to the Grand Justices Council Interpretation No. 553, Taipei, China's Grand Justices have defined the essence of the country's local governance as institutional protection. But the monitoring mechanisms of self-governance lack a communicative channel between the central Government and local government. Some public administration scholars have suggested that trust and citizen participation could build the basis of effective interaction between the central Government and local government. In particular, when the Government makes new laws, local self-governance organizations should have the opportunity to participate (Hsu 2004).

A. Local Governance and the Local Government Act in Taipei, China

The Local Government Act has been promulgated and enforced since 25 January 1999. Some articles directly related to the Taipei, China local governance are as follows:

- Special municipalities, counties/cities, and townships/cities are local self-governing bodies, and shall carry out self-government matters in accordance with this Act as well as the matters commissioned by higher government agencies (Article 14).
- The self-government matters of special municipalities, counties/cities, or townships /cities (Article 18–20).
- For self-government matters of special municipalities, counties/cities, or townships/cities that involve other special municipalities, counties/cities, or townships/cities, the common higher-level authority competent on such issues shall instruct the relevant local self-governing bodies to jointly carry out such matters, and if necessary, the common higher-level authority competent on such issues may appoint a appropriate local self-governing body to complete the matter within a specified period (Article 21).
- Where the self-government matters as stipulated in Articles 18 to 20 involve authorities of the central government and local self-governing bodies, the Ministry of the Interior shall jointly formulate implementation guidelines in consultation with the relevant agencies, and submit such implementation guidelines to the Executive Yuan for approval (Article 22).

- The special municipalities, counties/cities, and townships/cities shall exert their best efforts while carrying out the self-government matters, and shall be accountable in accordance with the law (Article 23).
- Enterprises jointly operated by special municipalities, counties/cities, or townships/cities and other special municipalities, counties/cities, or townships/cities may establish organizations for their operations after approval by the relevant councils of the special municipality, county/city councils, township/city councils (Article 24).
- The duties of the council of the special municipality, counties/cities, and townships/cities (Article 35–38).
- The sources of income, expenditure, and taxes of special municipalities, counties/cities, and townships/cities (Article 63–67).

According to the above articles, the Local Government Act regulates affairs by three kinds of local government, but it does not include the means of encouraging local government to achieve the goal of local governance. Theoretically, enhancing governance in Taipei, China local government is very important. In practice, some regulations and policies have not yet been amended. If the country wants to get an institutional design for local governance, local governments should rethink the content of Articles 18–22 of the Local Government Act carefully and seriously. In short, local government should make adaptations to “the neighborhood control model” (Frederickson 1980) to encourage more participation by local citizens in local affairs.

B. E-Participation and Local Governance

In this paper, we also focus on the management of mobile resources. We could adopt the measures of contracting out, participation, partnership and coalition to transfer some functions among governments and organizations. A scholar in the field of digital government in Taipei, China, Shiang (2001), pointed out that the free flow of information promotes the creation and utilization of added value, and makes the distribution of resources more even and their utilization more efficient and effective. Ultimately, it raises the competitiveness of the society and nation, and enhances people’s welfare.

Several studies have been done about e-participation in the country and these researches also note that some aspects would improve the impact of local governance. Shiang (1999) has ever pointed out that digital democracy has opened a new page for democratic administration, but his investigation of on-line forums of municipal web sites has shown that they don’t reach a high standard in terms of democratic practice. Chen, Huang, and Hsiao (2000)

have examined the information circulation and aggregation function at the websites of the 23 city (county) councils. In their published results, they found that the e-participation functions of the websites of its legislative bodies have reached the world average. Lin and Kuo (2000) used an analytical framework of the Website Attribute Evaluation System, which was developed by the Cyberspace Policy Research Group of Arizona University, to explore the local government of Taipei, China based on three criteria (openness, transparency, and interactivity). In their research, they found that many web sites of local governments met the criteria of openness; however, many failed to realize the value of democracy. In other words, these sites cared more about the use of technologies than about participation (Jan, Wang, and Hsu 2004).

West (2004: 9–10) wanted to see how nations ranked in the world and created an e-government index and applied it to each nation's websites based on the availability of publications, databases, and number of online services. Four points are awarded to each website for the presence of some features. These features provide a maximum of 72 points for a particular website. Each site then qualifies for a bonus of 28 points based on the number of online services executable at that site. The e-government index runs along a scale from zero (having none of these features and no online services) to 100 (having all features plus at least 28 online services). Totals for each website within a country were averaged across all of that nation's websites to produce a zero to 100 overall rating for that nation. Taipei, China received the top ranking at 44.3%.

By contrast, conditions for local self-governance and citizen participation are still in an early stage of development, and the local governments' ability to do those things should be promoted as actively as possible. Local government should build a basic managerial platform to enhance the transformation of limited resources and the extent of citizen participation.

When we discuss the problems related to Taipei, China's local governance, we should not emphasize the ideas, principles, and standards of governance that were adopted in the international community. We should instead focus on how to convert the ideas of local governance so that we may combine them with existing institutions.

VI. Conclusion and Recommendations

The issues of local governance are structure, process, and analysis framework (Rhodes 1997). The study and planning of local governance should focus on institutional design, and local governance should play the most important role of integrating and aggregating citizens.

Local governance is related to the interaction of citizens and promotes the structure and process of citizen participation. So we have to connect different citizens, aggregate more social capital, and allow for sufficient government information.

There is little doubt that the integrating function of the local governance process is the ability to transfer resources. If we want to enhance that ability, the central Government should offer more incentive mechanisms and encourage citizens to participate in local government activities.

When we discuss the issues of local governance, one topic focuses on enhancing citizen participation, and this is what we mean when we talk about “increasing the degree of direct democracy.” In Taipei, China, we have been promoting citizen participation and e-democracy programs. But the most important thing is that we believe these are “oxymorons,” mechanisms are not general ideas, and principles are generally not detailed.

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Foreign Aid and Civil Society: An Assessment of USAID Policy Assumptions in India

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I. Introduction

The objective of this paper is to assess the policy assumptions of United States Agency for International Development's (USAID's) current Economic Growth Strategic Objective (SO) policy in India. In its SO policy outline, USAID states that it is dedicated to reducing poverty in India by increasing economic growth over the next 4 years. It asserts that increasing national income in India is a function of promoting increases in capital investments, particularly with respect to infrastructure; increasing social services; and promoting agricultural reform (USAID 2004). Plans for achieving these goals involve working with both government and the private sector. Further, in its policy outline, USAID explicitly makes two assumptions in promoting its current foreign aid agenda to India:

Achievement of the SO is based on the following key assumptions. They will be carefully monitored for their continued validity and relevance during program implementation: (1) Political stability [will be sufficient] to continue to pursue economic reforms, at the center and state levels [and] in the areas of financial markets, fiscal management reform, and the agriculture sector; and (2) Civil society and strong vested interest groups, when provided with sufficient opportunity and appropriate platforms, will actively engage in, and not derail, the reform process (USAID 2004).

Both assumptions drive USAID policy toward India. While sufficient political stability is historically evident, given India's status as a strong, consolidated democracy, this paper is concerned with the second assumption—that civil society will “actively engage in, and not derail, the reform process.” In short, USAID makes the explicit assumption that citizens engaged in civil society will support liberal reform toward economic development. This paper tests that assumption using survey data from 1999–2000 World Values Surveys

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conducted in India. I ask the question: What kinds of citizens support liberal reform and capitalist economic development?

Based on the USAID policy objective, I test the assumption that citizens engaged in civil society are more likely to support liberal economic development. In controlling for a number of variables, including cultural values, institutional attributes, and demographic characteristics of respondents, the results fail to show a statistically significant relationship that supports the assumption of USAID's strategic objective policy. In an analysis of five attitudinal variables that the World Values Survey uses in measuring support for liberal reform, I find that while citizens engaged in civil society may support economic development, they do not support general measures of liberal reform, including private ownership of businesses, individualism, private competitive markets, limited social welfare, and societal innovation. Further, the results here suggest that regional variation and gender equality have strong and significant relationships to respondents' support for liberal reform. In general, states with increased access to education and areas with increased support for gender equality support liberal reform at rates higher than others. Given these results and the broader theoretical debates surrounding foreign aid to civil society, this paper further observes and analyzes potential implications of value differences between foreign aid providers and recipients of aid in Indian civil society.²

II. Community-Driven Development and Citizen's Attitudes

The amount of existing literature on the relationship between civic engagement and economic development is significant, but the empirical evidence that aid through community-based organizations and civil society actually does improve targeting of recipients in need, public-service delivery, or collective action initiatives is scanty.³ As best stated by Mansuri and Rao:

Many critics note that evidence on community-driven development initiatives lags well behind the rate at which projects are being implemented and called up. However, the diversity of views and the intensity of their expression make a review of the available evidence both necessary and timely. Because of the considerable overlap between community-based and community-driven

² Here civil organizations encompass involvement in the private sector. I have chosen to use a loose definition of civic engagement employed by Linz and Stepan (2001: 97), in which civic organizations include professional and business associations.

³ For some leading texts refer to Boone 1996, Burnside and Dollar 2000, Dollar and Pritchett 1998, Knack 1999, Knack and Rahman 2004, Maren 1997, Mansuri and Rao 2004. The Mansuri and Rao article provides the most comprehensive literature review that I have found to date.

development projects, evaluation evidence is reviewed for any project with community participation as a crucial element to its design (Mansuri and Rao 2004: 2–3).

In their recent article, Mansuri and Rao (2004), examine program evaluations and focus group data on the outcomes of community-driven development, which, as defined by the World Bank, includes any projects that directly engage any community action (Mansuri and Rao 2004). As they illustrate, existing program evaluations of community-driven projects are mixed and the outcomes are often complex. In terms of targeting groups to receive aid, academic literature suggests that incorporating local civil groups and funneling aid through them has the ability to enhance the quality of program implementation (Chambers 1983; Ostrom, Lam, and Lee 1994; Uphoff 1986; Narayan 1999; Mansuri and Rao 2004). However, evaluations of existing programs offer contradictory evidence (Conning and Kevane 2002; Alderman 2002; Paxson and Schady 2002; Rao and Ibanez 2003).⁴

In the case of India, the debate on the issues of community-driven development is clear. On the one hand is this mystical view that citizens engaged in community activity and civil society will support liberal reform and that aid through community groups will be sufficient. For instance, Wade (1987) examines incentives for collective action in a district in South India. He finds that some villages have common-pool resources and well-functioning institutional arrangements, a “public realm” to disseminate aid, while others do not. This is very reminiscent of Scott’s and Popkin’s pivotal works on the moral versus rational economy of the peasant. In some cases, villages appear to share communal values, where in others, life is much more Hobbesian (Scott 1976; Popkin 1979). Moreover, much of this literature is strikingly similar to

⁴ Using econometric program evaluation models, this literature generally draws the same conclusion as a 2002 article by Conning and Kevane. In their article they find that communities generally have a better understanding of who is in need; however, in terms of distributing and monitoring program impact, homogeneous communities with egalitarian preferences for who actually receives benefits are better at targeting aid recipients. Heterogeneous community organizations generally do not have egalitarian preferences and face problems of competing incentives. In such communities, targeting largely fails, because individuals within the community compete for benefits and those most in need get left out of the process (Conning and Kevane 2002).

In terms of public service delivery and collective action, the results are also mixed. Two clear trends arise throughout the literature. One, civil community groups with more homogeneous and egalitarian preferences generally fare better than heterogeneous groups in aid programs, particularly better than larger groups (Conning and Kevane 2002; Rao and Ibanez 2003; Mansuri and Rao 2004). Two, the potential is for smaller hierarchical village groups to excel in community-driven development projects (Wade 1987; Baland and Platteau 1997). This is not surprising, as it supports Olson’s (1973) classic work on collective action. In a smaller, organized collectivity with a dictator model, sufficient distribution of goods can occur so that everyone benefits as long as the group remains small. However, as the group size increases, this becomes more problematic, and even within a smaller group the incentive is to free-ride (Olson 1973).

the early writings of Karl Marx and Henry Maine in their first visits to India, in which they talk about the village as a utopia of self-organization (Srinivas 2002). This view, commonly held by lending organizations, and explicitly outlined in USAID's policies, asserts that civil society in India carries the potential to stimulate liberal reform.

Conversely, another stream of thought offers contradictory evidence that civil society in India is not the best outlet for reform and that the view of lending organizations in the past has indeed been "mystical," as it has failed to consider exogenous and intervening actors, including international and state actors in village and civil-based groups (Jackson 1997; Jenkins 1999; Knack 1999; Knack and Rahman 2004). Rob Jenkins asserts that civil groups that seek to maintain the status quo are much more prevalent in India than those who might benefit from liberalization (Jenkins 1999: 2). Jenkins' definition of "the status quo" is complex given the current situation in India. It is best defined in terms of maintaining the current system, separated by class, social status (largely defined by one's caste), and a heavy social welfare system. This assertion is the driving factor behind much of my research, as it contradicts the USAID assumption that citizens engaged in civil society will promote liberal economic reform. In his conclusion, Jenkins specifically states that if it is the intention of international aid organizations to provide good governance, which he defines as delivering policies most efficiently, then funding civil society is not the proper route (Jenkins 1999: 209). Jenkins' argument contradicts the USAID assumption that citizens active in civil society will support liberal reform, but he provides no empirical support to back this statement. It is the intention of this paper to gain a clearer understanding of the relationship between citizens' participation in civil society and their support for liberal economic development.

III. Methodology and Model

Drawing on USAID's assumptions as well as the current literature that suggests these assumptions are inadequate, *what kinds of people in India support liberal economic reform and under what circumstances?* It is plausible to suspect that a significant relationship will emerge between citizens' engagement in civil society and their support for liberal reform, because in a democracy citizens' attitudes toward economic development are derived from their environments, creating special interests (or preferences), and through the outlet of civil society these interests impact economic development and reform, specifically with

respect to policy formation and implementation.⁵ The proposed hypothesis is two-tailed. If the assumption of USAID is upheld, this relationship will be positive, but if existing literature suggesting that citizens engaged in civil society do not support liberal reform is upheld, this relationship will be negative.⁶ Given the numerous factors that will influence this relationship, I control for a number of cultural and geographic predispositions, including citizens' cultural values, institutional attributes, and demographic characteristics.

In order to test the hypothesis, I use data from the 1999–2000 World Values Survey.⁷ The survey covers the 17 most populous states in the country.⁸ The sample size, N , is 1,566 respondents. Variables were chosen in relation to specific questions, and a scale of variables is provided with the results. Descriptive statistics and variable codes may be found in Table 1.

Below I first define the variables used, and then I describe the Ordinary Least Squares (OLS) regression model used to analyze the data. The dependent variable is the respondent's attitude toward liberal economic development. This raises two questions: what is liberal economic development, and what is the best way to assess an individual's attitude toward liberal economic development? First, the definitions of economic development and economic growth are many. While increasing gross domestic product or a country's national income is considered economic growth, economic development is generally thought of as a more comprehensive process. USAID links economic development with poverty reduction, and defines it as a function of increased GDP; increased capital investments, particularly for infrastructure; increased social services (defined primarily in terms of health care and education); and macroeconomic stability, including fiscal responsibility (USAID 2004). Since it is the objective of this paper to assess USAID SO policy in India, this definition is used as the working definition of liberal economic development throughout the paper.

⁵ Essentially, elections to the people's state assembly (parliament), Lok Sabha, as well as local elections in India, are based on single-member district plurality, a winner-take-all system, and politicians seek to maximize votes. In doing so they cater to special interests and the values of their constituencies, reflecting the interests of the median voter in order to get elected and remain in office. In India there is also the problem of the median voter, but the question then is what are the values and norms of the median voter with respect to liberal economic development? Conceivably, if Indians support liberal reform, we might expect this to come through in national policies, and if not, we might expect the opposite.

⁶ The hypothesis is such that: $H_1 : \beta \neq 0$
 $H_0 : \beta = 0$

⁷ The survey is a generalized survey across 81 countries covering almost 85% of the world's population (WVS 2004). This paper engages only the country data supplied for India.

⁸ These include Andhra Pradesh, Bihar, Chhatisgarh, Delhi, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal.

Table 1. Descriptive Statistics

Variable	Mean	Std. Dev	Min	Max	Variable Code
Private Business	7.829	2.416	4	10	1=Opposes liberal reform, 10 = Strongly supports
Individual Responsibility	7.978	2.604	3	10	1=Opposes liberal reform, 10 = Strongly supports
Competition	8.674	1.922	4	10	1=Opposes liberal reform, 10 = Strongly supports
No welfare	8.264	2.255	3	10	1=Opposes liberal reform, 10 = Strongly supports
New Ideas	8.078	2.674	3	10	1=Opposes liberal reform, 10 = Strongly supports
Cultural Variables					
Civic Engagement	1.517	2.575	0	15	0 = No activity, 15 = Active
Democracy Index	2.296	0.517	1	4	1 = Strong Dem, 4 = Weak Dem
Leader Satisfaction	2.397	0.831	1	4	1 = Very Satisfied, 4 = Dissatisfied
Political Ideology	5.646	2.838	1	10	1 = Left, 10 = Right
Political interest	2.562	0.987	1	4	1 = Very interested, 4 = Not
Strong leader	2.220	1.072	1	4	1 = Strong leader, 4 = Weak leader
Traditional	1.411	0.633	1	3	1 = Not Traditional, 0 = Traditional
Family emphasis	1.203	0.466	1	3	1 = Strong influence, 10 = weak
Geographic ID	2.440	1.057	1	5	1 = Local, 5 = Global
Radical Change	2.042	0.579	1	3	1 = Support, 3 No support
Gender equality	2.628	1.017	1	4	1 = Not egalitarian, 4 = egalitarian
Institutional Regional Variables					
Literacyrate	54.124	12.034	38.49	89.81	Rate 2001 Census
Male Literacy	77.078	6.962	60.32	94.2	Rate 2001 Census
Female Literacy	56.366	11.786	33.57	87.86	Rate 2001 Census
Life expectation	62.202	4.029	55.5	73.3	2000 Economic Survey
Infant mortality rate (per 1000)	62.619	17.836	14	97	2000 Economic Survey
PCSGDP	99,225.130	48,831.28	30,867	20,4120	2000 Per Capital State Gross Domestic Product
Bank credit	26,845.300	23,451.1	2,869	89,314	2000 Economic Survey
Foodgrains/capita (log)	0.0002	0.0003	0.0000249	0.001037	2004 Economic Survey
Schools/capita (log)	0.0001	0.0003	0.0000431	0.00281	2004 Economic Survey
Demographic Characteristics of Respondent					
Age	39.204	13.931	18	83	1 = Young, 6 =older
Sex	0.625	0.484	0	1	1 = Male, 0 = Female
Hindu Dummy	0.726	0.446	0	1	1 = Hindu, 0 = Not
Muslim Dummy	0.084	0.278	0	1	1 = Muslim, 0 = Not
Education	4.314	2.770	1	8	1 = Low, 10 = High
Profession	8.374	4.425	0	13	1 = High status, 13 = Low
Class Self Defined	3.6	0.909	1	5	1 = High, 5 = Low

Source: Author's research based on WVS (2004).

Since perceptions of economic development as a concept will vary greatly between respondents, it is not logical to place specific measures on such a general concept. With this in mind, I chose five survey questions to measure respondents' attitudes based on values associated with liberal economic development. These questions are not direct questions about development. Rather, each question captures a different component integral to liberal reform using a feeling thermometer to assess individuals' attitudes regarding the following key concepts: private ownership of business (Private Business), a competitive attitude (Competition), support for individual responsibility in providing social services (Individual Responsibility), support for societal innovation (New Ideas), and support of social welfare (No Welfare) are essential characteristics for liberal development. These characteristics embody liberal notions of economic development and are also cited in recent literature as well, including that of Przeworski's *Democracy and the Market* (Przeworski 1991) and Haggard and Webb's *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment* (Haggard and Webb 1994).

Further, investment in the liberal development process, either by workers, managers, or speculative investors, involves risk implied by individual actors particularly for average workers. Liberal economic reform policies often come at high costs to society (Przeworski et al. 2003: 90). Workers must work more and innovation often comes at the cost of public consumption, as states must save more. Hence, individuals must be willing to accept the burden and responsibility of improving macrosocial conditions. On the macroeconomic side, fiscal responsibility, which India has often lacked, must be a stronghold and savings must occur often at the expense of consumption (Jenkins 1999: Chapter 2). We cannot expect average citizens to understand the micro implications of macroeconomic reforms or to form clear arguments about the outcomes of these events, given that economists cannot seem to agree on them. The five variables I have chosen to assess attitudinal support for liberal reform are meant to measure how citizens react to various facets of liberal economic development. For each question the respondent could choose an answer ranging from one to ten. The answers are coded such that ten equals support for liberal reform and one is opposition to liberal reform.

Citizens' participation in civil society is the independent variable. In the World Values Survey respondents are asked about their level of participation in a number of organizations. These organizations include church and religious organizations, educational organizations, labor unions, political parties, environmental organizations, human rights groups, groups that provide social services, youth groups, professional associations, women's groups, sports and recreation groups, and other voluntary organizations. Citizens' answers are recorded as dummy variables. The citizen is given a one, if he/she is active in a

particular group and zero if not. To assess individual respondents' overall level of civic engagement, I created a civic engagement index by calculating the sum of respondents' answers. The index ranges from 1 to 15, in which 1 is extremely inactive and 15 is extremely active. If USAID assumptions hold, it can be expected that a positive and statistically significant relationship will occur between respondents' engagement in civil society and respondents' support for liberal economic development.

While the independent variable is citizens' participation in civil society, a number of other factors will surely also contribute to one's attitude toward liberal economic development. I identify three types of control variables: cultural values, regional institutional attributes, and demographic characteristics of respondents.⁹

IV. Results

The results in Table 2 provide for an interesting analysis. They are illustrative of a complex set of relationships that exists between the various attributes of respondents and their opposition to liberal economic development.

The results suggest that the relationship between an individual's participation in civil society and that individual's attitudes toward liberal economic development is little to none, when captured by control variables. In a simple OLS analysis with no controls, citizens' participation in civil society has a negative and statistically significant relationship to each of the dependent variables (p value < 0.05 for each variable). As illustrated in Table 2, when controls for citizens' cultural, institutional, and geographic predispositions are included in the OLS model, citizens' engagement in civil society has little to no significance. When captured by cultural values, institutional attributes, and demographic characteristics of respondents, civic engagement has a negative and statistically significant relationship to the dependent variable in one case, support for societal innovation. Holding all control variables constant, for every increase in respondents' reported level of civic engagement, respondents' support for societal innovation falls by 0.11 levels ($p < 0.05$) on a scale of 1 to 10.

Though weak, this offers empirical support in opposition to USAID's claim that individuals engaged in civil society will support liberal reform, and suggests that while individuals engaged in civil society may support economic development, their roadmap for reform is one that involves government

⁹ Conceivably, both culture and institutions matter for understanding one's attitude toward development. While cultural values create and shape one's preferences, they are influenced by individuals' surroundings and the institutions with which one identifies, particularly with respect to individuals' local and state environments.

Table 2. Support for Components of Liberal Economic Development by Civic Engagement

Variable	Prvt. Bus	Ind Resp	Competition	No welfare	New Ideas	Variable Scale
Civic Engagement	-0.742 (-1.63)	0.047 (0.89)	-0.244 (-0.64)	-0.045 (-1.18)	-0.113* (-2.26)	0 = No activity, 15 = Active
Democracy	-0.133	0.027	0.11	0.562*	0.091	1 = Strong Dem, 4 = Weak Dem
Leader Satisfaction	(-0.53) -0.153	(0.11) 0.291*	(0.55) 0.184	(2.44) -0.062	(0.34) -0.246	1 = Very Satisfied, 4 = Dissatisfied
Political ID	(-1.07) -0.022	(1.92) 0.014	(1.49) -0.008	(-0.47) 0.025	(-1.48) -0.0001	1 = Left, 10 = Right
Political interest	(-0.57) -0.093	(0.32) 0.101	(-0.25) -0.013	(0.67) 0.12	(0) 0.011	1 = Very interested, 4 = Not
Strong leader	(-0.80) -0.0437	(0.81) 0.161	(-0.14) -0.195*	(1.01) 0.216	(0.09) -0.073	1 = Strong leader, 4 = Weak leader
Traditional	(-0.35) 0.125	(1.23) -0.071	(-2.01) 0.238*	(1.79) -0.046	(-0.55) -0.176	1 = Not Traditional, 0 = Traditional
Family emphasis	(0.72) -0.444**	(-0.39) 0.228	(1.68) 0.065	(-0.28) 0.037	(-0.97) 0.227	1 = Strong influence, 10 = weak
Geographic ID	(-1.97) -0.144	(0.86) -0.168	(0.35) 0.033	(0.19) -0.102	(0.87) -0.405*	1 = Local, 5 = Global
Radical Change	(-1.26) -0.091	(-1.32) 0.197	(0.34) 0.242*	(-0.90) -0.011	(-3.36) 0.236	1 = Support, 3 No support
Gender equality	(-0.56) 0.051	(1.06) 0.26*	(1.83) 0.227*	(-0.06) -0.009	(1.28) 0.27**	1 = Not egalitarian, 4 = egalitarian
Literacy rate	(0.42) 0.55 (0.55)	(2.13) 0.05 (0.58)	(2.48) -0.176* (-2.76)	(-0.09) -0.037 (-0.48)	(2.14) 0.028 0.31	Rate 2001 Census
Male Literacy	-0.087 (-1.43)	-0.011 (0.21)	0.07 (1.66)	0.91 (1.66)	0.238** (4.09)	Rate 2001 Census

Continued next page

intervention and the infusion of traditional, indigenous ideas and values. This is supported by the significance of particular cultural values. For instance, in determining support for private versus government ownership of business, the only statistically significant cultural variable is family emphasis ($p < 0.05$). These results illustrate a strong negative and statistically significant relationship between support of private ownership of business and emphasis on family life. In other words, those respondents who support public sector, government-owned business place much higher emphasis on the role of family in their lives, suggesting more traditional attitudes that conceivably influence the relationship between respondents' engagement in civic society and respondents' support for liberal reform.

Table 2. Support for Components of Liberal Economic Development by Civic Engagement (continued)

Variable	Prvt. Bus	Ind Resp	Competition	No welfare	New Ideas	Variable Scale
Female Literacy	-0.61 (-0.73)	-0.154 (-1.48)	0.052 (0.72)	-0.786 (-0.91)	-0.252** (-2.36)	Rate 2001 Census
Life expectancy	.161 (0.91)	0.484* (1.97)	-0.144 (0.83)	-0.11 (-0.52)	-0.079 (-0.31)	2000 Economic Survey
Infant mortality rate	-0.04* (-1.73)	0.118* (2.07)	-0.88* (-1.93)	-0.048 (-0.92)	-0.068 (-1.12)	2000 Economic Survey
Bank credit	1.589** (4.30)	1.06* (2.21)	0.047 (0.014)	0.434 (1.08)	0.37 (0.80)	2004 Economic Survey
Foodgrains	-1.05** (-2.91)	-1.93*** (-4.42)	-0.22 (-0.72)	-0.475 (1.16)	-0.117 (-0.25)	2004 Economic Survey
Respondent's Age	-0.001 (-0.07)	0.017* (1.92)	0.16* (2.56)	-0.001 (-0.09)	0.002 (0.25)	1 = Young, 6 = older
Sex	0.024 (-0.11)	0.67 (0.25)	-0.007 (-0.03)	0.148 (0.58)	0.563~ (1.86)	1 = Male, 0 = Female
Hindu Dummy	-0.142 (-0.47)	0.379 (0.1.02)	-0.167 (-0.59)	0.004 (0.01)	0.372 (0.98)	1 = Hindu, 0 = Not
Muslim Dummy	1.011* (-2.2)	1.12* (2.30)	0.215 (0.56)	0.441 (1.02)	1.04* (2.11)	1 = Muslim, 0 = Not
Education	0.124* (2.57)	0.108 (1.94)	0.071~ (1.76)	0.137* (2.87)	0.03 (0.91)	1 = Low, 10 = High
Profession status	0.186 (0.7)	-0.006 (-0.21)	0.015 (0.64)	0.016 (0.61)	0.03 (0.91)	1 = High status, 13 = Low
Class Self Defined	-0.139 (-1.13)	0.217 (1.65)	0.201* (1.8)	-0.169 (-1.37)	0.036 (0.26)	1 = High, 5 = Low
Constant	-1.025 (-0.07)	-20.159 (-1.08)	21.78 (1.64)	15.05 (0.324)	7.83 (0.687)	

Results of 2-tailed multivariate regression w/ robust estimates dependent variable codes: 10 = strong support for liberal economic development; 1 = wWeak support for liberal economic development; t statistics in parentheses, ~p < .1 *p < .05, **p < .001, adjusted R-squared = 0.16 Data

Source: 1999–2000 World Values Survey. PCSGDP and schools variables were dropped, state control dummies were added, but not included in this table.

Similarly, in determining support for societal innovation, two cultural values are significant. Both geographic identification and support for gender equality have negative and statistically significant relationships to the dependent variable. The negative relationship between global and national identity and support for liberal reform contradicts liberal notions of development, by suggesting that individuals who identify more with their local environment than national and global environments support liberal reform. This illustrates that locally, there are heterogeneous preferences and potentially competing incentives for reform (Conning and Kevane 2002). It is not just that citizens who identify more with their communities are more likely to support societal innovation. Rather, as presented here, it is those individuals who identify more

with global and national identities that support societal innovation less. This might be explained by exposure to the adverse affects of innovation. People who have more awareness of national and global phenomena also have more exposure to the adverse effects of globalization and the downsides to reform, including increasing income inequality (Sen 1999).

On a positive note, locally people are more inclined to support innovation, and people with more egalitarian attitudes are more inclined to display support for societal innovation. In general, these results suggest that individuals engaged in civil society are less inclined to support private ownership of business and societal innovation given strong negative and significant relationships between these variables and civic engagement; however, with respect to support for individual responsibility, support for competition, and support for less social welfare the relationships between civic engagement and these variables are not significant.

The relationships that remain significant, given the cultural, institutional, and demographic control variables of respondents, suggest that the assumption of USAID that citizens engaged in civil society will support liberal reform does not hold. In fact, it appears that citizens engaged in civil society are motivated for reasons separate from those for USAID's mission. While these citizens may support reform, their reasons for doing so, defined by their preferences and interests, are not the classically liberal values USAID assumes them to be. Moreover, the presence of a number of significant relationships between control variables and support for the dependent variables provides an interesting glimpse into what kinds of people are more likely to be supportive of liberal reform. Below, I briefly discuss specific measures of support for reform. Given this sample of specific measures, individual attitudes toward gender equality, education, and religion, as well as institutional measures of female literacy, male literacy, and statewide infant mortality rates, matter in understanding what kinds of people and what kinds of states embrace concepts of liberal development.

First, within the results the role of gender is complex. Cultural values in support of gender equality and institutional measures of gender equality contradict one another. On a micro level, individual indicators that we might expect to be positively associated with measures of liberal reform, including level of education and support for gender equality, are indeed positively associated with liberal measures of development. However, on a regional level, institutional variables offer a different perspective. For instance, it appears that a strong negative and significant relationship exists between female literacy in respondent's state and support for societal innovation. Respondents residing in states with lower levels of female literacy support societal innovation at higher rates than respondents residing in states with higher levels of female

literacy. What explains the cultural and institutional paradox? Essentially, existing literature can support two explanations.

One, it might be not that the paradox between the variables is so stark, but rather that the cultural measurement of gender equality may not be the best measure. In order to assess cultural variation in gender equality, I use a measure from the World Values Survey, a specific question which asks respondents if it is more important for a boy to attend university than a girl. Respondents who agree that it is more important for a boy to attend university are given a score of one if they strongly agree and a score of four if they strongly disagree. I equate disagreement with the statement with support for gender equality, or displaying an egalitarian attitude. Given the literature, we know that the Indian system is one with a special place for the role of women in society, and Western notions of gender inequality are not necessarily the same as those of Indians. As much of the anthropological literature suggests, cultural notions of gender equality in India are divided along public and private lines. Gender roles are defined in a complex way. Traditionally, public gender roles have allowed women to engage publicly in political life. As the work of Srinivas (2002) suggests, historically women were expected to participate in village politics, and they were in charge of maintaining household order. However, socially defined gender roles with respect to work and participation in the labor force have historically been much more stringent and divided along caste lines. Traditionally, women with higher social status were not expected to participate in the labor force, as they were responsible for maintaining the household and attending to other public duties. It is not that gender inequality was intense. Quite the contrary, as women did engage in public life, it was rather that the definition of gender roles within society were considerably different. India has experienced a rather successful women's movement, and throughout the latter half of the 20th century women have gained much more social status in both political life and the workforce (Inglehart and Norris 2003: Chapter 2).

Modern-day notions of gender equality are complex. Socially, Indians, particularly the younger generation, face increasing exposure to Westernization and consumerism and Western notions of gender equality and sexuality; at the same time traditional values are an ever-present part of cultural norms. Inglehart and Norris suggest that "there is a persistent gap in support for gender equality and sexual liberalization between the West (which is most liberal), Islamic societies (which are most traditional), and all other societies (which fall between these extremes)" (Inglehart and Norris 2003: 68). Conceivably, India falls somewhere between these two extremes. While India has not experienced the backlash against Western sexual norms and mores, increased exposure to the West, particularly through consumerism, has introduced a host of contradictory

social mores. Thus, defining cultural support for gender equality is a multifaceted task. Assessing attitudes about the role of education for a boy relative to a girl embodies these contradictions in some ways. However, given what we know about both modern and traditional views of the role of women in public and private life, we can concede that attending university can measure gender equality holding traditional and modern definitions of gender roles constant. In other words, it is plausible that individuals' feelings about whether or not it is more important for a male to attend university than for a female will not be solely determined on how they define gender roles.

While modern definitions of gender roles clearly place a higher level of importance on the role of educating women, as they participate in the workforce as well as public life, both traditional and modern definitions of gender roles place some level of importance on the role of educating women. It may be that no single question or issue can capture cultural views of gender equality given the complex nature of gender roles, but as a cultural measure, the chosen measure of support for gender equality has a significant and positive relationship to liberal notions of economic reform. Individual support for gender equality has a positive and significant relationship to support for individual responsibility, competition, and societal innovation.

A second explanation, assuming the measure of cultural gender equality is an adequate measure, is one of instrumentation. The cultural measure of gender equality is an attitudinal measure of a single respondent, whereas the female literacy rate within a respondent's state assesses regional variation. This suggests that respondents residing in states where female literacy rates are lower display a higher level of support for the chosen measures of liberal reform. The institutional measure, significant in support for societal innovation, is not a direct assessment of the individual, but rather the individual's region.

Why is it that individuals in these states support innovation at rates higher than others? Demographic characteristics suggest that alongside support for gender equality, a significant relationship exists between respondents' level of education and their support for liberal reform. It may be that more educated individuals residing in these states support reform at rates higher than others. One's region does not define one's preferences, but it undoubtedly influences them. In this case, clearly, we see that respondents in states with lower levels of female literacy support innovation more. This might be explained in a number of ways, but the explanation of exposure is again perhaps the most plausible. Knowing that a positive and significant relationship exists between individuals who support these measures of liberal reform and education, we can infer that educated individuals residing in these states have more exposure to the effects of low female literacy rates, and thus are more inclined to display more support for both gender equality and liberal measures of reform. These variables clearly

suggest a positive movement in the direction of gender equality and female literacy. In understanding what kinds of people support liberal development, this survey illustrates that the best indicators are measurements of gender equality.

Parallel to cultural measures, a number of other institutional development indicators matter in understanding what kinds of people support liberal reform. These results also give some insight into what indicators matter in the dissemination of aid at the state level. States in India are heterogeneous and have competing preferences in receiving aid. Specific development indicators help to identify the kinds of states in which support for liberal reform is broader. The significance of literacy is clearly outlined in the results. Both male and female literacy rates have significant relationships to the chosen measures of liberal reform, and across the board, both at the level of individual respondents and at the state level, education and literacy clearly have a positive relationship to all of the given measurements of liberal reform, with the exception of private ownership of business. Education matters. Evidence here suggests that educated individuals support liberal reform in India.

Third, as one might expect, a clear negative and statistically significant relationship emerges between the infant mortality rate of a respondent's state and his/her support for liberal reform, as defined by private ownership of business and competition. This suggests that respondents in states with the most brutal infant mortality rates (i.e., Madhya Pradesh, Uttar Pradesh, and Orissa, where infant mortality rates are 91, 84, and 97 per 1,000 live births, respectively) are less inclined to support these measures of liberal reform (Ministry of Finance 2000). This suggests that in states with basic health care services in place to counter the impact of infant mortality and childhood diseases, respondents will be more likely to support liberal reform. This is not surprising, given that residents in the high-infant-mortality states have a greater likelihood of being less educated, and, given the poor social conditions, have a higher propensity to value subsistence over prospects for development. These findings illustrate the importance of gender equality and education, as well as basic indicators such as infant mortality rates, in identifying what kinds of people and what states support liberal reform.

Two other points should be made with respect to demographic characteristics of respondents. First, religion in India, as we know, plays a significant role in the everyday lives of citizens, and conceivably may impact on individual support for liberal reform. While the significance of being Hindu and supporting liberal reform is nil, evidence provided here suggests a strong significant relationship between Muslim respondents and support for private ownership of business, individual responsibility, and support for societal innovation within the sample. Much more work is needed to further explore the relationship between religion and economic development in India. It is

plausible, as Varshney (2002) has found with decreased civil conflict, that more integrated areas might support development at rates higher than less integrated areas as a result of exposure.

Second, in each of the regressions, dummy variables of respondents' region were included to see if specific regions demonstrated higher levels of support or opposition to various measures of liberal reform. A positive and significant relationship is shown between respondents located in Karnataka and high levels of support for individual responsibility, competition, limited social welfare, and societal innovation. Conversely, I find a negative and statistically significant relationship between respondents in Punjab and Gujarat and support for individual responsibility, competition, and societal innovation, suggesting that respondents in these states have less support for liberal reform policies. Given the small size of this sample, however, these results are not representative of the population in any of these states and cannot be generalized to make any specific inferences about the nature of development in either state. However, these states provide statistically significant and consistent evidence in support or opposition to liberal measures of reform when captured by cultural values, institutional attributes, and other demographic characteristics of respondents.

The results presented here provide an overall analysis of citizens' attitudes toward liberal reform as measured by five survey indicators; however, a number of potential problems with this analysis should also be noted. One, given the small sample size, this analysis cannot be generalized to the whole population of India. Arguably, more than 1,000 respondents are represented in the survey, but given the sheer size and heterogeneity of the country, this is not a representative sample.

Two, questions undoubtedly arise about the internal validity of the research design. For both the democracy and the civic engagement index, factor analyses have validated that they generally measure the same concepts. However, in an initial factor analysis of the dependent variables, the results suggest that each of the variables is unique and that they may be capturing concepts not associated with development. In any case, it is difficult to assess how citizens interpret specific concepts and questions. The measures of liberal reform I have chosen are standard measures within the World Values Survey.

Third, a potential problem with my theory should be addressed. Rational theories of any kind are tautological. They implicitly ascribe self-interest and maximization of personal utility as the answer to all individual actions. In this case, governments are influenced by powers of persuasion found among self-interested individuals belonging to groups in civil society. However, are participants in civil society the only self-interested individuals that influence the development process? Obviously not, and in the case of India, powers of persuasion that influence governments are clearly not limited to groups in

civil society. This theory assumes other actors to be exogenous to the model; however, in reality other exogenous forces have preferences that potentially influence the development process (Knack 1999; Mansuri and Rao 2004; Jenkins 1999). Understanding the complex nature of community-driven development in India and the incentives of competing actors is a topic outside the realm of this paper. My objective has been to assess on a micro level how individuals think about and perceive liberal notions of development.

A final problem inclusive of the first three is one of data. To really understand attitudinal support for liberal reform in India, a more in-depth analysis is needed. While survey data are a starting point, this survey is just that, a starting point. More cultural and interpretive analysis is needed to understand the relations between individuals at the micro level and how their social networks impact on their perceptions of reform. Only then can any serious conclusions be drawn about the nature of development. While I have tried to eliminate all potential problems, I have no control over some and I have inevitably missed others, but taking into account the general objective, this paper provides a starting point for understanding what kinds of people support liberal reform.

V. Policy Implications and Conclusions

Given these results, I have drawn three broad conclusions. One, the assumption of USAID that citizens engaged in civil society will support liberal economic reform is an unsound assumption that, empirically, is unsupported by any evidence.

Two, participatory development through community-driven development projects may not offer optimal solutions in either targeting or implementing development projects. In the case of India, the results here suggest that citizens do, in fact, engage in civil society based on their individual interests and preferences, but generally speaking, these preferences substantially differ from USAID's policy preferences and interests. In this survey, individual respondents engaged in civil society are less inclined to support societal innovation ($p < 0.05$). Also, cultural and institutional variables suggest that these respondents place more emphasis on family life and traditional values than do respondents who are less engaged in civic organizations. While participants engaged in civil society may support development, their roadmap for how it should proceed is substantially different from that of USAID. Conceivably these individuals support socially democratic notions of development with more state- and government-driven social welfare policies and less emphasis on private business and market competition. Respondents overall display high levels of support

for liberal reform measures (refer to Table 1), suggesting that perhaps groups outside civil organizations still stand to benefit from participatory democracy. However, targeting is critical (Mansuri and Rao 2004; Conning and Kevan 2002).

Since this is the case, it is not that civil organizations in India lack the capacity to carry out successful development projects, but rather, as Conning and Kevane (2002) suggest, it is difficult to identify which community groups are best suited for such projects. Funding civil organizations and community-driven projects without a clear understanding of the perceived roadmap of communities is a clear projection for failure. If citizens' preferences and interests are different from those of the lending organization, as this study suggests they may be in many cases, then the expectation of success through community-based projects is naïve. I do not wish to discredit participatory development, but rather to call attention to its potential downfalls. From previous research we have learned the benefits of participatory development (Olson 1973; Sen 1999); however, like all things if left unchecked and unmonitored, it carries the potential for disaster. It has been the objective of this paper to introduce a commonsense rational theory of development and call attention to a loosely defined assumption in USAID's policy toward India. While much funding goes to community-driven projects, little empirical evidence suggests that they work. This is problematic, and without serious investigation into the effectiveness of funding civil society, the potential for grave inefficiency and limited improvement will go unchecked.

Three, this analysis suggests that measurements of gender equality in India are better indicators of attitudinal support for liberal reform. Perhaps the single best indicator for what kinds of people support reform are gender equality and female literacy rates in respondents' states. Holding cultural and geographic predispositions constant, for every 1% increase in the reported female literacy rate in respondents' state, respondents' support for societal innovation decreases by 0.25 levels ($p < 0.05$). In targeting communities and states in which to distribute funding, gender equality and female literacy rates carry significant potential for predicting program success. Targeting states with lower levels of female literacy may prove to be a more successful strategy than targeting communities that carry the potential for participatory development. Many states, including Andhra Pradesh, Chhatisgarh, Jharkand, Orissa, and Rajasthan potentially stand to benefit more from liberal reform projects, and empirical evidence presented here suggests that individuals within these states have higher levels of support for liberal reform and innovation than individuals in states displaying higher levels of female literacy.

Further, statewide human development indicators suggest significant disparities between states with very low levels of development, particularly

noticeable by the presence of high infant mortality rates, and attitudinal support for reform. States with some established mechanism for combating childhood diseases and minor health care issues display higher levels of support for development. This raises concern about states facing brutally high infant mortality rates (above 80 deaths per 1,000 live births in Uttar Pradesh, Madhya Pradesh, and Orissa) and the urgent need for assistance to these states. Lending organizations, including USAID and the World Bank, tend to pick specific “model” states such as Maharashtra in which to implement development programs, given specific incentives and preferences they have for these states, and often states most in need of assistance are overlooked in the distribution process. The stark differences in statewide development indicators and in the results found here further call attention to the increasing need to reassess policies and targets of foreign aid throughout the country.

While much work has still to be done in understanding the relationship between civil society and foreign aid, I have sought to offer a simple explanation—if individual preferences and self-interests drive individuals to collectively engage in civil society, then for successful development programs to occur through civil society, individuals must carry a similar roadmap, sharing similar preferences and interests with foreign development partners. If it is not in the interest of individuals engaged in civil society to support liberal reforms as defined by USAID and other such lending organizations, then participatory initiatives of these organizations to incorporate civil society will be suboptimal.

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ALISHER YUNUSOV

Workshop on Economic and Financial Management

Ram Kumar Mishra¹

Economic and financial management presents the most complex issues to the nation states of the 21st century. The economic issues concern national income, growth, productivity, and equitable distribution of wealth. The financial issues deal with revenues, expenditure, management of budgetary deficits, and management of public enterprises. The central economic and financial management issue besetting the nation states is poverty eradication. Gunnar Myrdal in *Asian Drama* has said that poverty anywhere is considered a threat to prosperity everywhere. A large chunk of the world population suffers from acute poverty, which deprives them of two square meals every day, primary education, child protection, maternal health, and old-age security. A majority of the world population is considered poor from the point of view of consumption intake of a given minimum of cereals. The question of food security has been engaging the minds of policy makers for very long. Many see rural poverty as the crux of issue. It is true that a considerable part of the global population lives in villages, but urbanization has added a new dimension to the problem of poverty, as noted by Gugler in a paper entitled “Overurbanization Reconsidered” (1988). In many countries, the percentage of the urban population living below the poverty line is higher than that of the population in rural areas. Poverty and environmental degradation have been found to be closely associated, as discussed by de Steiguer (1995) in “Three Theories from Economics about the Environment.” Poverty and increases in population have also been found to go hand in hand, as revealed by Meadows (1997) in “The Key to Population Is Poverty.”

Poverty is a hydra-headed problem. New dimensions of the problem are emerging at a rapid pace. In terms of gender, poverty among women has overtaken poverty among men. A study by the African Development Bank (2004) entitled “Gender Poverty and Environmental Indicators on African Countries” reveals the frightening magnitude of gender poverty, which results in tremendous suffering. Occupational poverty is repeatedly referred to. The

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agricultural laborer is considered to be poorer than the industrial laborer. Poverty is also associated with lack of education, employment, and social standing. A. K. Sen (1994), in his paper entitled "Population: Delusion and Reality," explains at length the coexistence of poverty with undernourishment, child labor, and lack of education and basic health care facilities.

Poverty is reckoned as the biggest menace of the 21st century. A number of tools have been employed to counter this menace. The United Nations has declared 2005 as the year of microfinance, and microfinance programs are intended to reach the poorest of the poor. The United Nations earlier endorsed the Millennium Development Goals, the most prominent of which is the halving of the numbers of the extreme poor. The sociologists have been advocating promotion of multiethnic and multicultural societies. The new economic world order is being discussed to bridge the disparity between the North and South. However, we have to agree that no "silver bullet" is available to solve the problem of poverty. Any solution has to be people-centered. The magnitude of the problem of poverty varies from country to country. The evolution of country-specific poverty definitions, institutions, and monitoring systems is needed to promote capacity building among the poor and empower them to find lasting solutions to the problem of poverty. The lack of effective delivery mechanisms has impeded the success of poverty eradication programs. Nongovernment organizations, grassroots institutions, and national and international organizations are being involved to design and implement suitable programs to make program delivery more effective. Some countries have strengthened the rule of law and enacted and vigorously implemented laws to protect the poor. The poverty-affected countries are also trying to learn from each other's experience, which has helped them in introducing best practices. Promotion of self-employment and the culture of entrepreneurship has been adjudged by many countries a powerful tool to eradicate poverty. The approach of the People's Republic of China of "blocking and pushing" is being followed by many other countries to prevent any further rise in the population affected by poverty.

The problem of poverty has to be tackled as an utmost priority and as "now or never." Undoubtedly, it is the biggest challenge for public administration advocating good governance.

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The Urban Poverty Problem and the Minimum Living Security System in the People's Republic of China

Ye Xiangqun¹

I. The Present Status of the Urban Poor Population in China

At present, the urban poor population in the People's Republic of China (PRC) includes the people who were poor under the old system and people who have more recently become jobless. The second group of poor people, who are coming off old jobs or are having difficulty with reemployment, is far larger than the numbers of the traditionally defined poor people, who cannot work, have no steady income, or have no legal support.

A. The Present Number of the Urban Poor Population

Although opinions differ in this field, academics and the Government are agreed that the number of the PRC urban poor population is about 15,000,000–31,000,000. According to the present standard for defining poor people, the total number should be around 20,000,000, which is about 5% of the total urban population.

Statistics show that as of the end of 2003, out-of-work urban people number 2,940,000 and the registered jobless number 8,000,000, among whom those who are out of work and those with no income at all total 4,700,000 (National Statistical Bureau 2003). Not included are a large number of city people who are working for those stop-production, half stop-production, or bankrupt companies. The total number of these people is an estimated 5,000,000. The above two groups of people, plus their supporting family members, would total about 20,000,000. In addition, the Government supports 1,000,000 orphans, handicapped people, and aged people. The total number of all the urban poor people mentioned above is more than 20,000,000.

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According to Civil Administration Ministry statistics, as of the end of 2003, after implementing the policy of “insuring those who need to be insured,” the number of those accepting city minimum security is 22,000,000, which is close to the number estimated above (Civil Administration Ministry 2003a).

B. Characteristics of the Urban Poor Population

Since the implementation of the “reform and open” policy, the average annual rise in the PRC gross national product (GNP) is 9%. The present problem of urban poverty in China is highlighted by the rapid development of the economy and the resulting social readjustment. The following paragraphs describe the country’s urban poor population.

1. *Professional Characteristics*

The urban poor population comes mostly from the manufacturing, construction, commerce, and other traditional trades. Year 2000 figures from the National Statistics Bureau indicate that poverty coming from the social service industries occupied 6.01%, construction 5.52%, and wholesale and retail trades and restaurants 3.52%, while poverty in the finance and insurance; scientific service; and electricity, gas and water processing and provision industries was near 0% (Zhao, Liu, and Zhong 2003).

2. *Regional Character*

- The urban poor live mostly in inland areas and especially in areas where the planned economy still plays the main role.
- The main characteristics of the urban poor population are insufficient education, lack of skills, and middle age: the educational levels of most are below junior high school; they are not well trained in any professional skill; most operating workers are from the assembly lines. Their ages are between 40 and 50.
- The urban poor population is getting younger: for example, in Xuanwu District, Beijing, more and more younger people are getting insurance benefits. In one community in 1992, among all those who benefited from the security system, women aged 18–40 and men aged 18–45 accounted for 44% (Ning 2004).

C. The Reasons for Urban Poverty

Urban poverty has occurred in the process of China's economic and social transformation because of the adjustment of the industrial structure, the reform of the economic system, and the reform of the social insurance system. These impersonal factors have become the economic and social conditions to city poverty.

Changing and reforming the economic system has produced large numbers of jobless people. The main factors leading to the joblessness and the resulting urban poverty:

- *Systemic factors:* the reform in the state-owned companies has resulted in that sector losing jobs and creating a labor surplus.
- *Imbalances in supply and demand in the labor force:* due to application of the new technology, improvements in productivity, increases in the size of the working population, and the wholesale transfer of the agricultural labor force to the city, the labor supply has outstripped the demand.
- *Lagging reforms in the social security system:* Introducing the market economy changed the PRC's urban security system from the old inner-unit system to the social security system. The old inner-unit insurance system has broken down, but the social security system is not yet firmly established. Quite a number of city people are outside the social insurance system. According to statistics from the Labor and Social Security Ministry, by the end of 2003, the number of employed city people who have endowment insurance is 116 million, which does not even reach 50% of the total employed people. People with unemployment insurance total 100 million, or 40% of the total. Moreover, in addition to the present displaced workers, 10 million jobless city residents are outside the social security system.
- *Disease as a factor in poverty.* Medical treatment is a problem faced by poor people. The incidence of disease among the poor is very high. Because of the high cost of medical treatment, the poor cannot afford it. They cannot get proper treatment, so their physical condition cannot be good, which affects their ability to work and earn income.
- *Self-generated problems.* For instance, some poor people are hard to reemploy because of their poor professional skills or low educational levels. They cannot meet the requirements of the society and the labor market. In addition, a small number of people who are granted the minimum living security could be reemployed, but they refuse to go back to work because they think the minimum wage is too low.

II. The Status of the City Minimum Living Security System

In the past 10 years, under the City Minimum Living Security System (CMLSS), the concept of the PRC's social security was changed from one of "moral support" that resulted in grants, temporary alms, and allowances, to that of a standardized functional mechanism to support the poor. From the standpoint of the reach, level, stability, and standardization of the insurance, the present system is of stronger insuring ability and higher efficiency than the old.

A. The Minimum Living Security System Before 2000

Before the PRC's urban poverty problem arose, the Government usually carried out the temporary alms policy; for example, the "sending care" project was practiced all over the country. Such projects were very costly and not very effective. During the 1990's, large numbers of the unemployed emerging in the cities found the Government unprepared. Because of this, the early form of the CMLSS was hurriedly brought out. Therefore, the system itself inevitably has some problems.

- *The traditional idea of relief had to change.* The old social security system was formulated under the planned economy and aimed at the "incapable-of-working" poor. Since the process of the readjustment, however, the poor are no longer just those incapable of working. People who were unemployed but had the ability to work could also be trapped in poverty. The old idea of relief did not allow for help to these people, thus the scope of insurance was too narrow during the initial stage of the new security system.
- *Security levels are too low.* The system is not sufficient to ensure the poor of their essential living standards. In implementing the system, local governments think more about their own financial carrying capacity and thus set the actual amount of the minimum security lower than necessary. As of the end of 2000, in 36 big cities, the average amount of the minimum personal security was RMB200 per month. The lowest amount was only RMB143 per month. The situation in smaller cities was even worse. Insufficient security standards badly undercut the effectiveness of the CMLSS.
- *Before 2000, the main problem of the CMLSS was the scope of insurance.* In those places that had many unemployed workers and difficulties in finance, the governments could only count the

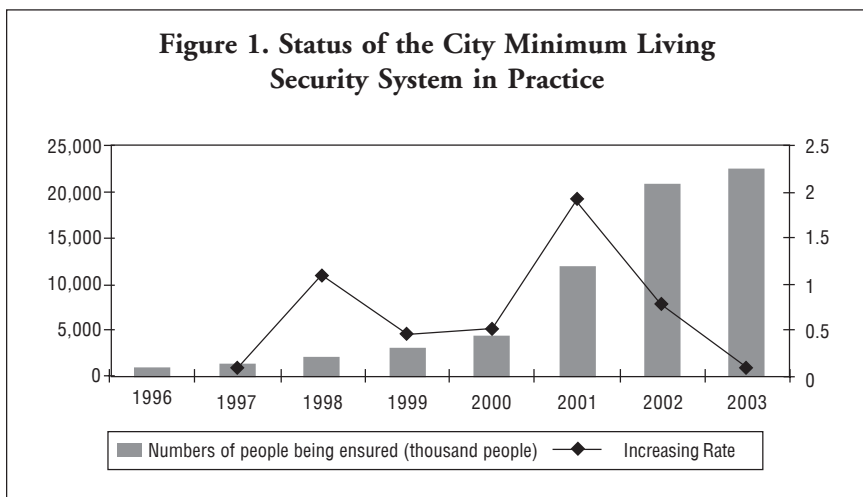
number of eligible people and assign amounts of money based on their own financial capacities. This resulted in lowering the standard and narrowing the scope of insurance in these places. According to Civil Administration Ministry statistics as of the end of 2000, the number of people actually included in the minimum security system was 3,818,000, which was less than one quarter of the total targeted population and less than 1% of the urban population.

- *The finance departments were unreasonable about sharing among different levels.* The old city security system was carried out by the grassroots, which means the city districts and the counties. Since the establishment of the CMLSS, most governments share the financial burden between the city and district. Central finance had nothing to do during the initial stage. Because the number of needy people has increased greatly since the establishment of the system, it is apparent that difficulties in local financing have reduced the effectiveness of the CMLSS.

B. Status of the Minimum Living Security System in Recent Years

To attack some of the problems occurring in the initial stages of the CMLSS, the PRC Government has strengthened the system through reform. In 1997, the State Department issued the *Notice of Establishment of the City Residents Minimum Living Security System in All Cities*. In September 1999, it issued the *Regulations of the City Residents Minimum Living Security System* (hereinafter the *Regulation*), which was put in practice on 1 October 1999. After the *Regulation* was in operation, the CMLSS gained its proper recognition both by the central Government and local governments. The system was put into proper effect.

- *The coverage of the system has been substantially increased.* Poor city residents are now basically ensured. In September 1999, the CMLSS had been established in 668 cities and 1,638 counties. As of the end of 2003, 22,468,000 city residents and 9.3 million families got the insurance (Figure 1) (Civil Administration Ministry 2003a). The increase of system coverage effectively guaranteed the essential living standards of the targeted people and maintained social stability.
- *The amount of funds from government finances has been substantially increased.* At present, the social alms mainly come from two channels: governmental input, which is the main channel, and social donations. In recent years, input from the central



Source: Civil Administration Ministry 2003.

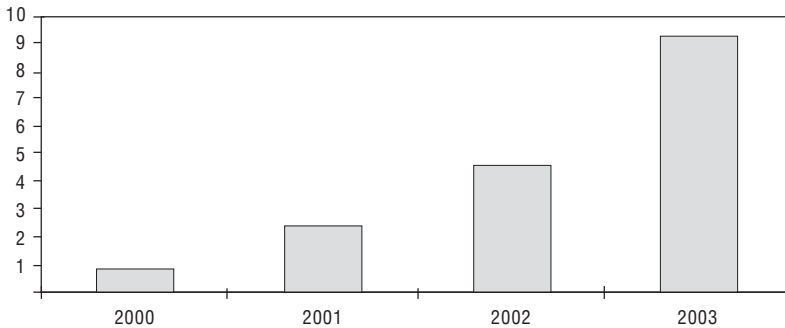
Government has increased annually (Figure 2). The central financial input for 2003 was more than RMB13.5 billion, which included RMB9.2 billion for city minimum security. More also came from local finance: RMB 6.1 billion in 2003 (Civil Administration Ministry 2004).

C. Problems With the Minimum Security System in Practice

A lot of work has been done in recent years to establish the CMLSS. A series of policies was enacted and was very effective. However, if the system is checked and evaluated with the aim of effectively ensuring the citizens' basic subsistence, the effects of its implementation are not completely satisfactory, due to the imperfect planning of the system

- The standard of the security is too low.* At present, poor families, after being granted the social security, can maintain only the most basic survival standard; their essential living demands can hardly be met. For example, in 2001, the money granted to the poor amounted to only RMB66 per month per person, which was 11.5% of the average personal monthly income that one person could budget freely that year. In November 2003, the average CMLSS payout granted to those poor people was RMB59 per month per person. However, the differences among different areas was large: the

Figure 2. Annual Amount of Central Financing for the City Minimum Living Security System
(billion yuan)



Source: Civil Administration Ministry 2004.

highest payout was RMB274 per month per person in Chaoyang District, Beijing; the lowest was RMB20 in Tunchang, Hainan (Civil Administration Ministry 2003b).

- *The structural design is too simple.* The minimum security system neglects the specific demands from different types of poor families. Differing family structures and different numbers of family members mean that the poor families' demands may vary greatly. Some poor people have lost or never had the ability to work; some are able to work but have lost or not had the opportunities. Some special cases involve single-parent families. The structure of the present minimum security system cannot meet the essential living demands of different types of poor people, thus reducing the efficiency of the insurance.
- *Needy people face difficulties in education, medical treatment, etc.* The CMLSS can only insure the basic survival conditions for the urban poor. They still face difficulties in education, medical treatment, housing, etc. They are in dire need of help from the whole society. Medical care for needy people is a special difficulty. A high proportion of needy people are sick, perhaps over 60%. These sick people cannot get proper treatment.

III. Suggestions for Perfecting the City Minimum Living Security System

For 10 years now, the CMLSS has been covering everyone who is registered as a town resident in the PRC, and providing a guarantee of social stability. As the system has not been in place for a very long time, however, many aspects of it could still be improved.

A. Improve the Security Standard

The firm establishment of the minimum security standard is the foundation and the core of the system. If the standard is too low, it cannot ensure the essential living standard for the poor. Its insurance function is thus weakened. If the standard is too high, the Government's finances cannot afford to support it, and a so-called "benefits trap" of relying on the social security would occur.

The local governments determine the present security standard, which results in big differences among cities. In general, the security standards implemented in most cities can only ensure the basic survival (not living) conditions. The low standard has severely weakened the effectiveness of the CMLSS. According to a spot check among the targeted people in Nanjing, the Engel's coefficient of the poor families' expenses is even over 70%, which means that the poor are in dire need.

The urban poor, as members of society, have the right to enjoy the fruits of social development and maintain their dignity as human beings. Therefore, it is necessary to gradually improve the CMLSS standard for city residents. Considering that the people's living standard is improving yearly and prices continually rise, the minimum security standard should be adjusted based on price levels and other elements.

B. Optimize the Structural Design, Improve Security Fund Efficiency

In order to improve the system to ensure a minimum standard of living, the CMLSS must be made more flexible in order to deal with different types of poor people. The standards and the granting methods of the security grants should be shaped according to the situations of the targeted poor families, taking account of their differing characteristics.

- *Divide the CMLSS into three parts:* “essential living alms,” “special demands alms,” and “considered alms.” “Essential living alms” meets survival requirements, including daily living costs like food, clothing, and transportation. This part of alms can be granted to every person who is supposed to get help. “Special demands alms” is granted according to demands like medical care, education, housing, and treatment for aged, diseased, and handicapped people. “Considered alms” would be aimed at providing durable family goods according to the demands, like winter coats, quilts, etc., which can be used for years.
- *Adjust the security to account for family size.* Families with different numbers of members require different amounts of minimum living security. The security standard should be adjusted to one-member families, two-member families, three-member families, etc.
- *Reduce alms to those who can work.* To encourage those poor people who still have the ability to work, it is proper to consider a reduction of alms by 20% or 25%.

C. Enhance System and Resource Integration

The PRC's present social security system includes three parts, which lack integration. This lack of integration is shown by i) target segmentation of each insurance project, and ii) segmentation of the sectors and policy, which results in lack of administrative coordination and difficulties in organizing projects. Therefore, the present social security system and policy should be integrated. Depending on the demands of poor families, the CMLSS, disaster alms, unemployment benefits, reemployment training and services, education and medical care, etc. could be integrated into the urban poverty insurance system. It would then be possible to maintain one targeted, coherent policy, good communication, and coordinated operation among the insurance projects.

In recent years, as the PRC's economic reforms have deepened, city residents are gradually becoming “socialized.” The community plays a more and more important role in people's lives. Therefore, under the policy of “separating politics and business,” it is necessary to create a reasonable policy encouraging the development of people's organizations, and supporting people in taking part in social work. By establishing the network of community security and developing the social work, the insurance policy and measures are carried directly to the poor and integrated during implementation.

D. Establish a Medical Insurance System for the Poor

At present, the greatest threat to the urban poor is disease. On the one hand, poor people's difficulties in obtaining medical care are ubiquitous; on the other hand, the present CMLSS and the available social medical care insurance is hardly doing anything to solve this problem. Exploring and establishing a medical insurance system for the poor could be an important addition to the CMLSS. To keep things realistic, the following features of the security system can be considered at the moment.

- *Partly defray medical costs.* A government program could be enacted to require state-owned medical institutions to reduce or exempt targeted people from certain medical costs like registration fees, prescription charges, medicines, hospital bills, and other costs. In Beijing, medical insurance has been available since 2002. People covered by the Beijing CMLSS Payment Certificate can enjoy the benefits of reduced or exempted costs at appointed hospitals.
- *Found welfare hospitals or charity hospitals.* Local governments could organize and use their social resources to found medical institutions specially serving the poor. For example, the newly founded Guangzhou Charity Hospital is the first charity-oriented polyclinic in the PRC.
- *Establish a medical care fund for serious disease and initiate specific medical insurance.* The medical difficulties of the poor show up mainly as their inability to afford expensive medical costs. Local finance entities should appropriate funds for medical insurance to help the poor afford the cost of serious diseases.

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The Development-Oriented Poverty Reduction Program for Rural People's Republic of China—A Successful Case in the International Campaign to Alleviate Poverty

Yu Jun¹

I. The Course and Achievements of the Aid-the-Poor Program

Between 1978 and 2000, this program underwent the following three stages:

A. Structural Reform Promotes Poverty Relief (1978–1985)

In 1978, the population of the People's Republic of China (PRC) living in poverty numbered 250 million, or 30.7% of the total rural population, according to the poverty standard set by the PRC Government. Many causes gave rise to such a large number of poor people, of which the main one was that the operating system in agriculture did not suit the needs of the development of productive forces, so that peasants lacked the enthusiasm for production. Because of this, reform of the system became the main way to alleviate poverty.

The reform begun in 1978 was, first and foremost, a reform of the land management system, i.e., replacing the collective people's commune management system with the household contract responsibility system. This change of the land system kindled the peasants' real enthusiasm for labor, thus greatly liberating productive forces and improving output. Meanwhile, many other reforms, such as gradually relaxing control over the prices of agricultural products and devoting major efforts to developing township enterprises, opened new ways for solving the problem of poverty in the rural areas. These reforms accelerated the development of the national economy and conferred benefits on poor people in three ways: raising the prices of

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agricultural products, transforming the agricultural production structure and orienting it toward higher added value, and employing rural laborers in nonagricultural sectors, thus enabling impoverished people to shake off poverty and become well-off. The result was greatly reduced poverty in the rural areas.

According to statistics, from 1978 to 1985 grain output per capita increased by 14% in the countryside, cotton by 73.9%, oil-bearing crops by 176.4%, and meat by 87.8%; net income per peasant grew by 3.6 times; the number of poor people unable to feed and clothe themselves decreased from 250 million to 125 million, shrinking to 14.8% of the total population in the rural areas; and the number of poor people shrank by an average 17.86 million annually.

B. Large-Scale Development-Oriented Poverty Relief Drive (1986–1993)

In the mid-1980s, the economy of the overwhelming majority of the rural areas in the PRC, where people were stimulated by the policy of reform and opening up and could rely on their own achievements, grew by leaps and bounds. A small number of areas, however, still lagged behind somewhat because of economic, social, historical, natural and/or geographical conditions. The disparity—economic, social and cultural—between those areas and other parts of the country, especially the advanced coastal areas in the East, gradually widened: the countryside's uneven development became marked. Quite a number of low-income people could not meet their basic needs for subsistence.

Between 1986 and 1993, to strengthen poverty relief, the PRC Government adopted a series of important measures, such as setting up special help-the-poor work units, allocating special funds, formulating special favorable policies, thoroughly reforming the traditional relief-type approach, and initiating the development-oriented poverty reduction policy. The PRC Government planned and carried out a major nationwide development-oriented poverty reduction drive, and the PRC's help-the-poor work entered a new historical period. Thanks to the efforts made over these 8 years, net income per peasant in the poor counties to which the PRC Government had attached special importance increased from 206 yuan in 1986 to 483.7 yuan in 1993; the number of the rural poor dropped from 125 million to 80 million, with an average annual decrease of 6.4 million, and an average annual rate of decrease of 6.2%; the proportion of poor people in the total rural population shrank from 14.8% to 8.7%.

C. Tackling Key Problems of Poverty Relief (1994–2000)

As rural reform has occurred and the development-oriented poverty relief has been strengthened, the number of poor people has shrunk year by year; great changes in the features of poverty have taken place; the distribution of the poor population shows obvious geographical characteristics, i.e., most poor people live in the Central and Western PRC, the barren rocky mountain area of Southwest PRC, the arid Loess Plateau in Northwest PRC, the impoverished Qinling and Daba mountain areas (which suffer from rugged terrain, a shortage of arable land, poor transportation conditions, and serious soil erosion), and the frigid Qinghai-Tibet Plateau. The main factors behind poverty are adverse natural conditions, weak infrastructure, and backward social development.

Marked by the promulgation and implementation in March 1994 of the Seven-Year Priority Poverty Alleviation Program (a program designed to lift 80 million people out of absolute poverty in the 7 years between 1994 and 2000), the PRC's development-oriented poverty-relief work began tackling the key problems. The program clearly stipulated that the PRC should concentrate on human, material, and financial resources; mobilize the forces of all walks of life in society; and work hard to basically solve the problem of food and clothing of the rural poor by the end of 2000. It was the first action program for development-oriented poverty reduction with clear and definite objectives, targets, measures, and a time limit.

In 3 years (1997–1999), China solved the problem of food and clothing for 8 million people a year—a record high in the 1990s. By the end of 2000, the basic objectives of the Seven-Year Priority Poverty Alleviation Program had by and large been realized.

Thanks to the arduous and unrelenting efforts over the past 2-plus decades, China has achieved tremendous progress in its poverty alleviation program:

- The problem of food and clothing for more than 200 million rural poor has been solved. The number of poor people in rural areas with problems obtaining sufficient food and clothing decreased from 250 million in 1978 to 30 million in 2000; the poverty rate there decreased from 30.7% to about 3%.
- Production and living conditions have remarkably improved. By the end of 2000, 95.5% of the administrative villages in the poverty-stricken areas had electricity, 89% were accessible by road, 69% had postal service, and 67.7% could be reached by telephone.

- Economic development has been speeded up remarkably. During the implementation of the Seven-Year Priority Poverty Alleviation Program, the agricultural added value of the poor counties to which the PRC Government gave priority in poverty alleviation went up by 54%, with an average annual growth rate of 7.5%; their industrial added value grew by 99.3%, with an average annual growth rate of 12.2%; their local financial revenue almost doubled, with an average annual growth rate of 12%; grain output rose by 12.3%, with an average annual growth rate of 1.9%; and the net income per peasant increased from 648 yuan to 1,337 yuan, with an average annual growth rate of 12.8%.
- Social undertakings have developed quickly. The hitherto rapid population growth in the poverty-stricken areas has on the whole been controlled, and population growth rate has decreased. The conditions for running schools have improved, thus effectively improving the quality of workers. The town and township hospitals in most of the poor areas have been revamped or rebuilt. As a result, the shortage of doctors and medicines has been alleviated. Large numbers of practical agrotechniques have been popularized, and the level of scientific farming has improved remarkably. Ninety-five percent of administrative villages in poor areas can receive radio and TV programs; the cultural life of the people in these areas has improved, and their mental outlook has changed tremendously.
- Some poverty-stricken areas that are located in large, geographically contiguous stretches have solved the problem of food and clothing, as have the Yimeng, Jinggang and Dabie mountain areas, southwest Fujian, and other old revolutionary base areas. Great changes have taken place in some remote mountain areas and areas inhabited by ethnic minority people. Dingxi Prefecture in Gansu Province and Xihaigu Prefecture in the Ningxia Hui Autonomous Region, once known as the “poorest places on earth,” have vastly improved their infrastructure facilities and basic production conditions after many years of effort, and their levels of poverty have been greatly reduced.

II. Major Contents and Channels of the Aid-the-Poor Program

A. Adhering to the Policy of Development-Oriented Poverty Alleviation

Providing development-oriented aid to the poor is a reform of and adjustment to the old, traditional way of dispensed relief, forming the core and basis of the PRC Government's policy of aiding the rural poor. Adhering to the policy that development-oriented aid means centering efforts on economic construction, supporting and encouraging cadres and ordinary people in poor areas to improve their production conditions, exploiting local resources, developing commodity production, and strengthening their ability to accumulate funds and develop by themselves, the development-oriented aid mainly consists of the following five aspects:

- i) Advocating and encouraging the spirit of self-reliance and hard work, and helping poor peasant households overcome the common attitude of "waiting for, relying on, and requesting" aid.
- ii) Considering that the poor areas are weak in infrastructure and capability for defense against natural disasters, the state encourages and supports poor peasant households to put labor into the construction of infrastructure, such as farmland, irrigation works, and highways, by arranging necessary work-relief funds, so as to improve the conditions for developing production.
- iii) The state provides concessional loans for special aid items at discounted interest, and formulates preferential policies, centering on helping the poor areas and peasant households develop market-oriented crop cultivation, aquiculture and poultry raising, and corresponding processing industries, so as to increase production and incomes.
- iv) Training in advanced practical agrotechiques, in order to improve poor peasant households' scientific-technical and cultural levels, helps strengthen their ability to develop by themselves.
- v) Peasant households are helped to implement the strategy of sustainable development and enhance their ability to make further progress by combining development-oriented aid with soil and water conservation, environmental protection, and ecological construction.

B. Bringing Aid Within the Reach of Individual Villages and Households

Since the beginning of the 1990s, considering the reality of the poverty-stricken areas, China has paid special attention to making aid accessible to individual villages and households, as an important measure. The state has also used the individual household as the basic unit in quantifying the various indices for solving the problem of food and clothing for poor peasants.

C. Aiding the Poor with Technology and Education

In order to further enhance the ability of poor areas to fight poverty, the PRC Government has provided special funds for aiding the poor with technology. These have been used for introducing, testing, demonstrating, and promoting improved seed strains and advanced practical technologies, and for conducting technological training. The PRC Government also encourages institutions of higher learning and scientific research institutes to promote advanced practical agrotechniques in poor areas, and has organized scientific and technological personnel and research institutions to teach in poor areas or promote agrotechniques in poor townships or villages. These measures have effectively changed the backward modes of production in these areas, increased the yield of farmland, and swiftly raised peasants' incomes.

D. Cooperation of the Eastern and Western Regions in Aid-the-Poor Work

In order to speed up the pace of poverty elimination in the Western region, the PRC has adopted the idea of getting the more developed provinces and municipalities in the East to support the development of their more westerly counterparts, e.g., Beijing helps Inner Mongolia, Shanghai helps Yunnan, Guangdong helps Guangxi, etc. Based on the principles of "taking advantage of each other's strengths, mutual benefit, long-term cooperation, and common development," the cooperating parties have joined efforts in all aspects and at multiple levels, including cooperation between enterprises, project aid, and personnel exchange. Such cooperation between the Eastern and Western regions focuses on improving the production conditions and ecological environment in the poor areas as well as solving the food and clothing problem in these areas. Following the laws of the market economy, making full use of science and technology, and mobilizing all social forces,

various forms of economic cooperation have been conducted, while efforts are being made to bring about more such cooperation.

E. Aiding the Poor by Encouraging Migration

The state encourages and supports poor peasant households to move out of areas with extremely difficult living conditions to more favorable areas, which is a new way to solve their food and clothing problem. The criteria governing this program have been migration by free will, resettlement in the nearest possible areas, acting within the limit of resources, and the provision of appropriate subsidies. The major methods of aiding the poor by migration include the following:

- i) governments subsidize the poor households for migrating and resettling near their relatives or friends;
- ii) governments establish migrant settlements, and make sure that their food and clothing problem is solved without damaging the ecological environment around the settlements; and
- iii) the migrants are allowed to keep their old homes until the new settlements are able to support stable production and habitation.

In recent years, about 2.6 million of the poor have been relocated in various ways and through various channels, among whom 2.4 million have already been resettled. The total poor population that needs to migrate has shrunk from 7.5 million to about 5 million.

F. Transferring Labor from Poor Areas

To increase the chances of employment and increase the income of workers in poor areas, the state encourages and organizes the transfer of labor from areas favorable for such transfer. Such labor transfer not only increases the employment and income of workers from poor areas, but, more important, will also enable these people to learn new technologies, lifestyles, and working methods from the places where they work; broaden their outlook; increase their self-confidence; and improve their ability to develop independently. Many migrant workers from the Western region have become envoys to spreading in the Western region the modes of production, lifestyles, culture, and technologies from the more developed Eastern region.

G. Combining Poverty Reduction with Environmental Protection and Family Planning

While developing the poor areas, the PRC Government pays close attention to the protection of the environment, and encourages peasants to develop ecologically and environmentally friendly agriculture. Poverty reduction by reliance on science and technology has helped to change the previous indiscriminate means of production at the expense of the environment in poor areas, and has gone a long way toward promoting sustainable development in these areas. The large numbers, high rates of growth, and low quality of the population in the poor areas have seriously handicapped economic and social development, efforts to solve the food and clothing problem, and the peasants' attempts to shake off poverty. The PRC Government particularly emphasizes changing people's ideas about the family in the poor areas, and encourages them to closely adhere to the national family planning policy. The combination of family planning with poverty reduction has produced important effects on the coordinated development of the population, economy and society and the sustainable development of the impoverished areas.

H. Promoting International Exchange and Cooperation in Aid-the-Poor Work

The PRC Government carries out its aid-the-poor program mainly by its own efforts, at the same time paying attention to exchange and cooperation with the international community in this sphere of endeavor. The PRC Government believes that promoting such exchange and cooperation will not only help speed the solution of the food and clothing problem of its own poor population, but will also help raise the general level of the PRC's aid-the-poor work by the transfer of successful methods in aiding the poor from more experienced elements of the international community. Since the 1990s, the PRC Government has actively studied the international antipoverty experience and continuously widened its cooperation with international organizations working in this field, in which it has made obvious progress.

III. The Aid-the-Rural-Poor Program in the Early 21st Century

Alleviating and eliminating poverty remains a long-term historical task for the PRC. In order to quicken the pace of poverty reduction, a problem that remains unsolved to some degree in certain areas, a meeting on this

issue was held in May 2001 by the central Government. An overall plan for aiding the poor in rural areas in the first 10 years of the 21st century was worked out. After the meeting, the PRC Government officially issued the Outline for Poverty Alleviation and Development of China's Rural Areas (2001–2010), setting out the objectives, tasks, guiding ideology, and policies and principles for work in rural poverty reduction in the next 10 years. The Outline succeeds the Seven-Year Priority Poverty Alleviation Program for guiding the poverty alleviation work in rural areas.

The development-oriented poverty alleviation drive in rural PRC in the early 21st century is a rare historical opportunity, but it still faces serious challenges and problems. The objective environment for poverty alleviation in the PRC today is blessed with many favorable conditions:

- A sound base has been laid for the poverty alleviation work.
- The sustained growth of the economy in the future will speed the process of poverty alleviation.
- Economic restructuring is conducive to the development of the poor areas.
- The implementation of the large-scale development strategy for the Western region is also helpful for poverty alleviation and will have a far-reaching impact on reducing the rate of poverty.
- Opening wider to the outside world will bring new opportunities for the development of the poor areas. After the PRC joins the WTO, the markets of these areas will expand further and open wider to the outside world, which will be favorable for the development of their advantageous labor- and resource-intensive industries, bringing more employment opportunities. Although the existing industries in those areas may be adversely affected after the PRC enters the WTO, in the long run this will be good for the transfer of their workers and the export of their labor-intensive products.

The main difficulties and problems for the PRC in the early 21st century in the field of poverty alleviation are as follows:

- Though poor people's incomes have obviously been improved, the current standard for poverty relief in the PRC is very low.
- Restricted by unfavorable natural conditions, a weak social insurance system, and their own poor ability to comprehend, those who have enough to eat and wear now may easily sink back into poverty.

- Although the development-oriented poverty reduction drive has greatly relieved the poverty and backwardness of the vast impoverished rural areas, no qualitative change has occurred either in the basic production and living conditions of poor peasant households, or in the social, economic, and cultural backwardness in those areas.
- Because of its large population, the PRC will face employment pressure for a long period to come. This pressure is bound to adversely affect the employment of the poor, so much so that many aid-the-poor measures will not be as effective as they could or should be.
- People who still do not have enough to eat and wear generally live in areas with adverse natural environments, a low level of social development, and underdeveloped social services, where the contrast between input and result is very sharp.

The PRC Government will persist in taking those in impoverished areas who do not have enough to eat and wear as the first to be helped. Though their number is not large, there are a lot of difficulties in helping them get rid of poverty. At the same time, those who have just enough to eat and wear should continue to be helped steadily to shake off poverty. Because their production and living conditions have not basically changed and they are not strong enough to fight natural calamities by themselves, these people will easily sink back into poverty if struck by natural disasters. So the future task is to further help those people become well-off after they have shaken off poverty.

The PRC's overall poverty alleviation goal from 2001 to 2010 is as follows: to help the small number of needy people without enough to eat and wear attain a minimum standard of living as soon as possible, and further improve the basic production and living conditions of the poor areas and consolidate the results already gained. At the same time, the quality of life of poor people is to be improved, and the construction of infrastructure facilities speeded up in impoverished rural areas. In addition, their ecology/environment is to be improved, and their social, economic, and cultural backwardness enlightened, so as to create the conditions for a future comfortable life.

The PRC Government will take the following steps in its poverty alleviation work up to 2010:

- Continue to emphasize crop cultivation, aquiculture, and poultry raising, and concentrate efforts on helping poor people to develop specialty and competitive products in this field.

- Promote the industrialization of agriculture. In line with the requirements for this, farm products with resources, advantages, and marketability should be produced or planned and developed according to an integrated plan, so as to develop a characteristic regional leading industry.
- Increase budgetary funds and loans for poverty alleviation. The state will further increase the scale of work-relief projects and, in line with the practical financial difficulties of the poor areas, strengthen financial transfer payments and implement the control of budgetary poverty relief funds with the household as the basic unit. The increased relief loans will be used for developing crop cultivation, aquiculture, poultry raising, labor-intensive enterprises, farm produce processing enterprises, market circulation enterprises, and infrastructure construction, which will help raise the incomes of the rural poor. Small-principal loans will be extended in an active and steady manner to help needy peasant households develop their production.
- Improve the basic production and living conditions of poor areas. Construction of basic farmland, infrastructure, environmental improvement projects, and public service facilities will be strengthened, with the township or village as the basic unit.
- Improve the scientific-technical and cultural qualities of people in the poor areas. The 9-year compulsory education level will be guaranteed in the poor areas, and the attendance rate of school-age children will be further raised. The old backward habits and customs will be changed, and a scientific and civilized life-style will be promoted in those areas.
- Encourage economic organizations with diverse forms of ownership to assist with the development of poor areas. The Government will create a better policy and investment environment to attract economic organizations with diverse forms of ownership to help the economic development of the poor areas.
- Mobilize the whole of society to assist with the development of poor areas. In accordance with the development-oriented poverty reduction program, further efforts will be made to promote counterpart cooperation between the Eastern developed coastal region and the poverty-stricken Western region, enlarge the scale of the cooperation, and increase the momentum of the relief work. It is necessary to encourage and guide nongovernmental exchange and cooperation at different levels and in diverse forms, especially cooperation for common development between enterprises. It is

also necessary to emphasize the important role of all social sectors in the development-oriented poverty reduction efforts and actively create conditions for nongovernment organizations to take part in or implement government development projects in the poor areas.

- Promote international exchange and cooperation in development-oriented poverty relief. The PRC will continue its efforts to win aid projects from international organizations and developed countries. It is also necessary to strengthen exchanges with international organizations in development-oriented poverty relief, and learn from the successful experiences and effective measures introduced by the international community in this sphere of endeavor, so as to improve our poverty relief work and its overall benefits.

The PRC is a developing country, and has a long way to go to shake off poverty. The basic solution to the problem of feeding and clothing the poor population in rural areas is only one phase in our effort to accomplish this historic task. Subsequently, it will still take a long period of hard work to enable the people in poor areas to live first a comfortable life and then a well-off life. With the progress of the reform and opening-up, the modernization drive, and the steady increase of the PRC's comprehensive national strength, its development-oriented poverty reduction program for the rural areas is bound to continue its successes.

Governing through Governance: Changing Social Policy Paradigms in the Post-Mao People's Republic of China

Ka-ho Mok¹

I. Introduction

No matter how we assess the impact of globalization, it is undeniable that contemporary societies are not immune from prominent global forces on the economic, social, political, and cultural fronts (Giddens 1991; 1999; Hirst and Thompson 1999; Rodrik 1997; Sklair 1995; Held et al. 1999; Mittelman 2000). Seeing globalization as involving very complicated processes of economic transactions and worldwide telecommunications, sociologists generally believe that the impact of globalization is profoundly restructuring the ways in which we live (Waters 2001) and creating a new hybrid of cultural styles and mixes (Robertson 1995). Believing market values and practices can promote efficiency, effectiveness, and economy not only in the economic sphere but also in the social and public domains, modern states have made serious attempts to demolish the old Keynesian national welfare state and to establish a “competitive state” in response to challenges generated by “global capitalism” (So 2003; Held 2000).

The People's Republic of China (PRC), like other countries, is affected by these processes of globalization. This is particularly true now that the PRC has secured accession to the World Trade Organization and local industries are increasingly affected by globalized challenges. Coping with challenges of global capitalism, the PRC, in order to reduce the welfare burdens originally borne by state enterprises, has adopted strategies of privatization, marketization, commodification, and societalization to redefine the relationship between the state, the market, and other nonstate sectors in social policy provision and financing. In this wider policy context, this paper sets out to examine how the leaders who succeeded Mao Zetung have reformed the social policy domain in urban PRC by selecting two major social policy areas, namely, education and health care, particularly examining whether these policy areas have had

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paradigm shifts in social policy governance. More specifically, this paper reflects upon whether and how the introduction of new governance strategies for reforming the education and health care sectors has weakened the state's capacity to govern public policy.

II. Challenges of Globalization and Emerging New Forms of Governance

In this period when national borders are dissolving and different countries are growing more interconnected and interdependent, social, economic, and political issues have become increasingly complex, so that the traditional state-centered approach may not be able to resolve them satisfactorily. No matter how the impacts of globalization are assessed, it seems that no modern state can entirely escape the challenges of globalization. In order to achieve and maintain national survival and growth, modern states have to compete, on the one hand, for transnational investment capital (Waters 2001, Thompson 2000). On the other, they have to surrender some state autonomy in exchange for a better position in the global marketplace. At the same time, modern states may encounter market failure since "greater international capital mobility [makes] manipulation of the economy at the national level more difficult" (Slaughter 1998: 53). In many countries since the late 1980s and the end of the Cold War, a strong intellectual and cultural milieu has prevailed that can generally be described as postmodernism. The ideas of postmodernism, together with ideologies along the lines of neo-liberalism, economic rationalism, and managerialism, have caused leaders of modern states to argue publicly that individual states are essentially ineffective in the face of global market forces (Bauman 1994; Dudley 1998). In pursuit of efficiency, effectiveness, and economy, ideas central to these prevailing ideologies, modern states try to become "competitive states" by adopting market ideologies and strategies to enhance efficiency, effectiveness, and economy. As So (2003) rightly highlighted, it is the state that is constrained and reshaped by the market, especially by the following activities:

- *Deregulation*: state regulation is cut down so as to provide more freedom to the market.
- *Privatization*: the state sector is getting too big and too inefficient; state or public enterprises should be privatized to let the market take over.
- *Liberalization*: the economy is opened to foreign investments and competition, and trade barriers are cut, to find a niche in the global market.

- *New public management*: the state bureaucracy is run like a private company, bringing in factors of productivity and efficiency, downsizing, and subcontracting its services to the private sector.
- *Scaling back or privatizing welfare and social services*: social spending is cut, making workers work harder; government bureaucracies are streamlined and reorganized to promote efficiency, effectiveness, and economy.
- *Bringing the society back in*: nonstate sectors, including the community, civil society, families, and individuals are revitalized to finance and provide social services.
- *Marketization of public/social policies*: market principles are adopted and business strategies used to run and manage social/public services.²

Observing the prominence of the market, people have begun to question the capacity of modern states to tackle the increasingly complicated economic, social, and political issues in the context of globalization. To cope with intensified globalization pressures and to maintain national competitiveness in the context of globalization, new forms of governance and new governance philosophies have emerged. Fundamental transformations have taken place in public policy instruments and public management (Lane and Ersson 2002; Faulks 2000). Theories of “new governance” propose that modern governments adapt to radical changes in their environments by turning to new forms of governance that are “more society-centered” and focus on “coordination and self-governance” (Pierre 2000: 2–6). Offering four governance models as alternatives to the traditional system, namely, the market model, the participatory state model, the flexible government model, and the deregulated government model, Peters (1995) argues that it is central to these governance models to involve sectors other than the state like the market and the society in governing the public domain. Similarly, other scholars interpret “governance” as a process of coordinating public and private interests, maximizing the state’s capacity to involve other nonstate sectors and actors in resolving public problems (Kearns and Paddison 2000). In the delivery of services, public authority is shared between governments and with nongovernment actors—what Salomon (2002: 2) calls “third party government”; services are decentralized and in some cases privatized; and the role of governments in managing the economy is more sharply delineated and circumscribed by new arm’s-length (from government) market-supporting instruments, in some

² Some of the points outlined above are modified from So (2003: 4), while some other points are developed by the author.

cases relying on self-regulation (Gamble 2000:130–131, Jayasuriya 2001). Many possible causes have been highlighted: ideological changes such as the discrediting of “statist” models, fiscal and bureaucratic “overload” problems, the growth in supranational bodies that undermine a government’s control, and economic globalization eroding state “steering capacities.”

In an increasingly globalized world, modern states have changed their governance strategies from “positive coordination” to “negative coordination;” the architecture of modern states has thereby been transformed.³ The change in the coordination mode has aimed to prevent modern states from being overburdened by welfare and social/public policy commitments (Jayasuriya 2001; Scharpf 1994). Likewise, the institutionalized state-society linkages (i.e., the mobilization of nonstate sources and actors to engage in social/public policy provision and financing) may generate additional resources for the state to finance and provide social services and public policies. In addition, the emerging trends of “-zations,” or coexisting “processes,” have transformed the way the public sector is managed and public policy is formulated. One of these trends is privatization. Privatization has been a common theme in evolving patterns of government-business relations in some countries (for example, Malaysia and South Korea) (Gouri 1991; World Bank 1995). Pressures for broad governance changes have been strong, coming to a head in the financial crisis of 1997.

A feature of these pressures is the presence of influential international agencies such as the International Monetary Fund and World Bank. Their preferred models of governance reflect many of the same tendencies noted above: a less interventionist and arbitrary state; a strengthening of “juridical” forms of regulation (often associated with fundamental legal reform); more disaggregated and decentralized forms of government, including partnerships and a stronger “coproduction” role for civil society groups; and a preference for market-like mechanisms over bureaucratic methods of service delivery. Hence, it is not surprising that strategies, measures, and policy instruments along the lines of marketization, corporatization, commodification and managerialization are becoming popular practices in public policy and public management (Lane and Ersson 2002; Minogue 1998; Mok and Welch 2003). Instead of reliance solely on government bureaucracy in delivery of goods

³ Positive coordination refers to an “attempt to maximize the overall effectiveness and efficiency of government policy by exploring and utilizing the joint strategy of options of several ministerial portfolios”; while “negative coordination” is designed to “ensure that any new policy initiative designed by a specialized sub-unit within the ministerial organization will not interfere with the established policies and interests of other ministerial units” (Scharpf 1994: 1994: 38–39).

or services, a massive proliferation of tools and policy instruments has taken place to address public problems, such as a dizzying array of loans, loan guarantees, grants, contracts, insurance, and vouchers. Diversified policy tools and instruments may render the conventional governance model inappropriate. It is particularly true when many of these tools are highly indirect. They rely heavily on a wide assortment of “third parties” such as commercial banks, private hospitals, industrial corporations, universities, social service agencies, and other social organizations (Salomon 2002). Therefore, networks and partnerships supplant hierarchical command and control (Rhodes 1997; 2000; Bache 2003). The proliferation of nonstate sectors and actors in public policy delivery has led to an increasingly complex set of state-society relationships, especially when government is increasingly performing the role of coordination and steering rather than command.

In this wider policy/conceptual context, this paper sets out to examine how the PRC Government has reformed its education and health care sectors by introducing new governance strategies such as the proliferation of policy tools and instruments and the diversification of nonstate actors and sectors in provision and financing. A better understanding of social policy paradigm shifts in the post-Mao period should be contextualized not only to the changing global policy and the external socioeconomic environments, as discussed earlier, but also to the unique socioeconomic background that had directed social policy formulation and policy paradigms under the Mao regime. Let us now discuss how social policy and social welfare was governed in the Mao regime, and thereafter compare and contrast the changes in social policy paradigms since the economic reform started in the late 1970s.

III. Social Policy and Social Welfare in the Mao Period

In the Mao period, the Communist Party of China (CCP) placed great emphasis on the realization of the human side of material production and developed institutions of social welfare to provide basic social goods to the PRC's citizens. When examining social policy formulation and development in mainland PRC, we should take the country's socialist structure, ideology, and development into consideration. The PRC sees its social system as a reflection of the superiority of socialism. In the Mao period, the abolition of private ownership had supposedly eliminated the basis of exploitation and inequality. After rural collectivization was completed, peasants became members of communes, earning the right to work and hence a means of subsistence. Distribution of incomes between households in the locality was mostly egalitarian and need based, although disparities existed among different

areas. As I argue elsewhere (Wong and Mok 1995), Maoist social policy bears a number of positive characteristics. Upholding the socialist ideals of equality, the safeguarding of people's basic needs, and the maintenance of social stability, the state was primarily responsible for offering social welfare services and social policies to reduce disparities in living standards and consumption between individuals in urban PRC. Since the state monopolized social service provision, city residents were beneficiaries of the state's universal employment policy. Once assigned work by labor bureaus, workers enjoyed life tenure and generous perks given by employers. Moreover, the state administered a system of health care, education, and cultural facilities that were not to be found in the countryside. PRC citizens in urban areas were thus highly dependent upon their *danwei* (work units) and had little initiative or autonomy. Through work units, the state provided people with all kinds of social welfare services, which was known as "enterprises running society," that characterized the PRC welfare society model in Mao's regime (Walder 1986).

Since the state played a very significant role in social policy and welfare provision, Maoist social policy followed the authoritarian mode. Essentially, the management structure and means of intervention had three features. One was high centralization of authority and resources. As a consequence, relations between different tiers of administration were arranged hierarchically. Another was the adoption of bureaucratic measures in policy enforcement. In exchange for this care, the state demanded total submission, thus enhancing its legitimacy and the power of enterprises over the work force (Walder 1986; Wong 1992; Jiang 1992). As a consequence, the state dictated the social life of the people and, in turn, the people came to rely on the state for their requirements (Wong and Mok 1995).

IV. Changing Social Policy Paradigms in Post-Reform China

Since the economic reform initiated 2 decades ago, the PRC has embarked on two major social and structural changes, namely institutional transition and structural transformation. By "institutional transition," I mean a transition from a highly centralized economic and social planning system to the market economy officially endorsed and implemented in the 1990s; while "structural transformation" refers to a social change from an agricultural, rural, and closed society to an industrial, urbanized, market-driven, and open society (Li 1997). Such transitions have caused changes not only to the economic and social structures but also to the whole perception of the proper state-society relationship. In social policy, the old dependency syndrome was condemned

as an impediment to economic progress. The new course was founded on a different interpretation of socialist construction from that during the primary stage of socialism; the key task was to resolve the conflict between people's rising material aspirations and the backwardness of productive forces. PRC leaders were fully aware of popular frustrations over meager living standards. In an effort to make its state-owned enterprises more economically efficient and competitive, they have taken significant steps to privatize and marketize social policy and social welfare. Table 1 compares and summarizes the differences in social policy goals before and after the economic reform that began in the late 1970s.

Having promoted fundamental value changes in social policy, the post-Mao leadership is well aware of the traditional welfare and social policy model being inappropriate. Nowadays, the PRC leaders subscribe to the notion that the modern state should act as facilitator and enabler in public policy and public management, believing that the state should set out an appropriate regulatory framework for governing social/public policy. The actual financing, delivery, and provision of social/public policy should rest with the market and other nonstate sectors; while the state is responsible for creating a "safety net" to help those most needy and vulnerable (Liu 2000). Thus, it is not surprising to see the practices and reform strategies commonly adopted in the neoliberal economies to transform the way social welfare and social policy is managed

Table 1. Changing Social Policy Goals in China

	The Mao Era) (1949—1978	The Reform Era (1978—Present)
Basis of Ideology	Upholding "socialist ideals," emphasizing social protection and social equality	Emphasizing economic efficiency and importance of competitiveness
Major Economic Goals	Low wages but generous welfare benefits	Reducing labor costs by cutting down social welfare
Major Social Goals	Maintaining "social justice" by means of "redistribution mechanisms"Improving people's quality of life by higher public expenditure	Keeping social stability by providing minimal social relief to the poor and people in needInvolving various nonstate actors in welfare provision

Source: Author's research.

being used to reform the social policy sector in the PRC. Even though post-Mao leaders feel uncomfortable with the term “privatization,” the state has actually reduced its provision of social policy and social welfare. The demonopolization of the state in the social policy domain has undoubtedly rendered the conventional practices of “managerial paternalism” and “organized dependence” inappropriate. Generous welfare benefits that state workers had enjoyed in the Mao period are now considered as welfare burdens on the state (Wong and Flynn 2001).

A better understanding of social policy reforms in the PRC might be obtained by contextualizing changes and transformations in social policy sectors in the overall policy paradigm shift from a centralized governance model to a decentralized one. Recent administrative reforms to streamline and reorganize the ministries at central and provincial levels are designed to improve the efficiency and effectiveness of PRC public administration. Such reengineering exercises are to separate government and enterprises, simplify government structures, rationalize government responsibilities, and strengthen the rule of law (2002b). Unlike the Mao era, when the state took all responsibilities in social policy provision, financing, and regulation, the post-Mao leaders have attempted to redefine the relationships between the state and the market, the community, and the civil society (Wong 1998; Mok 2000). It is in such a context that social welfare and social policy development in the PRC has begun to experience fundamental changes in governance. Reform measures along the lines of privatization, marketization, and societalization are adopted. In the Mao era, education and health care services used to be welfare entitlements of urban residents, but in the reform period people no longer enjoy such privileges.

V. Marketization, Privatization, and Societalization of Education and Health Care Policy

Openly acknowledging the fact that the traditional welfare/social policy model is inappropriate and increasingly inefficient and uncompetitive in the global marketplace, the post-Mao leaders have begun to step back from welfare/social policy provision and financing. Aiming at better use of limited public funds, they have adopted reforms along lines of efficiency to transform social policy and welfare delivery. Hence, different market-related strategies are used to reform education and health care policy and governance. Let us now turn to how the processes of marketization, privatization, and societalization have changed the education and health care sectors in post-Mao China.

A. Education Policy

Under the reign of Mao Zedong (1949–1976), the adoption of a centralization policy in the educational sphere gave the central Government relatively tight control over financing, provision, and management of education. Living in this policy context, PRC citizens were accustomed to free education provided by the state sector (Yao 1984). With the introduction of economic reform in 1978, the PRC entered a new stage of development. Under the slogan of “socialist construction,” the CCP tried to reduce its involvement in direct provision of educational services. In the immediate post-Mao era (i.e., 1978–present), the CCP initiated a decentralization policy in the educational realm to allow local governments, local communities, individuals, and even other nonstate actors to create more educational opportunities. Reshuffling the monopolistic role of the state in educational provision, reform in the educational structure started in the mid-1980s and has manifested a mix of private and public provision (Mok 1996; Cheng 1995; Hayhoe 1996). Diversification of education services began when the PRC state attempted to encourage all democratic parties, people’s bodies, social organizations, retired cadres and intellectuals, collective economic organizations and individuals subject to the Party and governmental policies, actively and voluntarily to contribute to developing education by various forms and methods (Wei and Zhang 1995: 5). Different types of nonstate-run schools, colleges, and universities have emerged to meet the pressing educational needs. As of 1998, the PRC had 1,277 minban (people-run or community-run) higher learning institutions. In 2000, nearly 1 million students nationwide were registered in these minban institutions (Yang 2002a). The continual increase in enrollment has indeed shown that the market, nonstate sector, and other local forces have been revitalized and mobilized to finance and provide more learning opportunities for higher education (Mok 2001; 2002). All these nonstate-funded educational institutions adopt fee-paying principles and offer diversified education services to PRC citizens (Mok 2002; Chan and Mok 2001).

Coinciding with “multiple channels” in financing, the state describes the use of a mixed economy of welfare as a “multiple-channel” (*duoqudao*) and “multi-method” (*duofangfa*) approach to the provision of educational services during the “primary state of socialism” (*shehui zhuyi chuji jieduan*), indicating a diffusion of responsibility from the state to society (Mok 1996; Cheng 1990). Openly recognizing the fact that the state alone can never meet all people’s pressing educational needs, the CCP has deliberately devolved educational development responsibilities to other non-state sectors. In late 1993, “The Program for Reform and the Development of China’s Education”

stipulated that the national policy was to actively encourage and support social institutions and citizens to establish schools according to laws and to provide proper guidelines and strengthen administration (CCPCC 1993). Article 25 of the Education Law promulgated in 1995 reconfirmed once again that the state would give full support to enterprises, social institutions, local communities, and individuals to establish schools under the PRC legal framework (SEC 1995). In short, the state's attitude towards the development of nonstate-run education can be summarized by the phrase "active encouragement, strong support, proper guidelines, and sound management" (*jiji guli, dali zhichi, zhengque yindao, jiaqiang guanli*). Under such a legal framework, coupled with the "decentralization" policy context, the PRC's educational development has been significantly affected by strong market forces.

In the 1990s, the CCP further shifted the responsibility from the state to individuals and families by introducing a "fee-paying" principle. Early in the 1980s, the plan for fee-charging students was regarded as "ultra-plan," implying that the intake of these "self-supporting" students was beyond the state plan (Cheng 1996). But after the endorsement of a socialist market economy in the CCP's Fourteenth Congress in 1992, the State Education Commission officially approved institutions of higher education admitting up to 25% students in the "commissioned training" or "fee-paying" categories. In 1993, 30 higher learning institutions were selected for a pilot study for a scheme known as "merging the rails," whereby students were admitted either because of public examination scores or because they were willing and able to pay a fee though their scores were lower than what was formally required. In 1994, more institutions entered the scheme and the fee-charging principle was thus legitimized (Cheng 1996). The structural change in the financing of education in the PRC is more obvious in higher education. Before the 1990s, the number of fee-paying students was only a very tiny group, but it has been increasing since the adoption of the "user charge" principle. The percentage of fee-paying students at higher educational institutions in Shanghai increased from 7.5% in 1988 to 32.1% in 1994, showing a huge jump in "self-financing" students (Yuan and Wakabayashi 1996). Now all university students have to pay tuition fees and the user-pays principle has been made the foundation of PRC education.

In addition to the increase of student tuition fees and the reduction in state funding for higher education, popular reform strategies have come to include contracting out logistical support services from university administration, strengthening the relationship between the university sector and the industrial and business sectors, and encouraging universities and academics to engage in business and market-like activities to generate more

revenue/incomes (Mok 1999; 2000). Put into perspective, the PRC's marketization of education has two major forms. The first involves attempts by educational institutions to market their academic wares in the commercial world, while the other aims to restructure educational institutions according to business principles and practices. Education, having experienced processes of marketization and privatization, may experience the following consequences:

- adoption of the fee-paying principle in education,
- reduction in state provision, subsidy, and regulation,
- the popularity of revenue-driven courses and curricula,
- emphasis on parental choice, and
- the managerial approach in educational administration/management.

Overall, the marketization and privatization trends have intensified since the 1990s and diversity, devolution, competition, choice, and profit have become central to educational change processes in the post-reform PRC. At present, parents have to pay more to send their children to school, universities have to charge students tuition fees, and the design of curricula has been increasingly driven by market needs (Yang 2002a). In short, central to the notion of the marketization of education is a process whereby education services are priced and access to them depends on consumer calculations and ability to pay (Yin and White 1994).

B. Health Care Policy

City residents used to enjoy free health care services run by the state and enterprises, but nowadays they have to cocontribute to health care financing. Confronting the problems of misuse, waste, duplication, and cost escalation, reforms have been bold and far-reaching in health care. The reforms have three major objectives: diversify sources of funding, simplify administration, and devolve responsibility to local areas and treatment centers. The rationale for launching reforms in health care is to improve the range and quality of health care, provide incentives for quality services, and allow more flexibility so that health care services cater for local needs (Holliday and Wong 2003). Unlike the Mao era, when the state took the primary responsibilities in health care financing, the post-Mao leadership has chosen a new development strategy by putting economy first. In an effort to improve the efficiency and economy of its state enterprises, the PRC leaders have started to reduce the welfare burden of state enterprises in financing health care services by launching a contributory social insurance program.

Where state workers in the Mao period could enjoy free medical care and hospitalization financially supported solely by the state, urban residents now have to engage in a copayment and cocontribution system by joining the contributory social insurance for medical care and medicine, to which both employers and employees contribute, with a semicommercial hospital system and commercial provision of medicine (Guan 2001). The major objective of health care reform is to move beyond the traditional “organized dependence” on the state toward “shared responsibilities” of health care intended to scale down and limit state subsidies (Zhou 2000). In the 1990s, health insurance reforms were started in various cities with the intention of rationalizing and controlling health insurance spending (Pearson 1995). Copayment schemes have begun to be implemented and a tripartite medical insurance system was being tried out in Shenzhen in the mid-1990s by involving the Public Medical Insurance Bureau, participating enterprises, and their employees (Yuen 1994). Following a study of eight provinces, Henderson et al., (1993) discovered that medical insurance coverage varies according to a variety of individual and regional characteristics and significant differences obtain among the provinces.

According to Cheung (2001), none of the schemes discussed above successfully resolved the dilemmas of fund insolvency and conflicting interests of treatment providers, insurers, and patients. At the end of 1998, the PRC Government started a new health insurance scheme to cover the urban work force. Central to this scheme is joint contribution (employers paying 6% of the wage bill, employees paying 2% of wages), coexistence of individual accounts, and pooled funds and basic coverage. Since such copayment schemes may not meet all health care costs, supplementary plans are also encouraged, including plans for civil servants, voluntary top-up schemes by companies, and plans to cover serious illnesses.

More recently, the PRC Government has started other insurance schemes to cover standard lists of drugs, treatments, and services covered by basic insurance. Control of drug pricing and distribution has been strengthened, patients are allowed to purchase medicine outside hospitals and clinics, and patients are given more choices in selecting health care providers (State Council Press Office 2002). As with health insurance, since the 1980s the PRC Government has reformed hospital funding by making cost recovery the foundation of its health care financing system (World Bank 1992). It is not surprising, therefore, to see reduced state subsidies to hospitals, other than those covering basic salaries and the procurement and repair of some expensive items (Lee 1993). In recent years, hospital funding has been heavily dependent on contributions, not only from state financial resources but also nonstate sources, including contributions from individuals and enterprises (Zhou 2000; Guan 2001). In short, the introduction of fee-paying and

cocontribution systems is central to the health care reforms in the post-Mao period. This suggests that a market-oriented approach has been adopted in running health care services in the mainland. A few key features of the changes are as follows:

- reduced state subsidies,
- commodified health services;
- copayment systems for healthcare,
- multiple channels for health financing,
- “coresponsibility” between individual and community risk pooling, and
- marketized health and medical care.

Like education, health care services in post-Mao PRC are driven by market-oriented principles: patients now enjoy more freedom to choose service suppliers, but they have to pay for quality services, and the state has clearly tried to retreat from the provider and funder roles. Fee-for-service is now the most dominant mode of service delivery in health care (Meng and Hu 2002) and the market dominance raises the issue of equality and adequacy of coverage (Cheung 2001). Hence, scholars studying the post-Mao health care reforms are not sure whether the reform measures outlined above can really achieve the original reform objectives. Nonetheless, what has been confirmed is a greater burden for all urban residents. Under such circumstances, social concern has been raised about whether PRC citizens without insurance coverage can afford to have health care (Zhou 2002; Holliday and Wong 2003).

VI. The Significance of the Changes

Putting our observations regarding the reforms and changes in education and health policy in the post-reform period together, we can clearly identify at least five key features of the PRC's embrace of the market for social policy.

- Education and health care policy development is increasingly guided and shaped by the perceived needs of consumers and the markets. In education, for instance, curriculum design and program development cater for emerging market needs and perceived manpower requirements, while health care services are basically tailor-made to customers' needs.
- Another market incursion is increased competition between suppliers once the state starts the demonopolization process, allowing other nonstate sectors and actors to engage in service

provision. Diversity and multiple suppliers of education and health care services now provide choice and competition.

- Adoption of the fee-charging principle and the emphasis on cost recovery in service provision are crucial elements of the reforms. The foregoing discussion has shown how the state has gradually reduced its subsidies to education and health care services.
- Education and health care services are increasingly based on a market/business principle. Market influence is clearly found in the way that these social policies are managed, following the notions and practices of public management to stress the importance of efficiency, effectiveness, and economy in service delivery (Flynn, Holliday and Wong 2001; Holliday and Wong 2003).
- Minban, or private suppliers, are becoming increasingly prominent in the education and health care sectors in the PRC, suggesting that the social policy sectors are being diversified and the state is moving away from the frontier roles as service and funding providers.

Most important of all, the foregoing discussions already indicate that social policy developments, particularly in the education and health care sectors, have shown a fundamental paradigm shift from a universal and state welfare model to a selective and “societalized” model (Wong 1998; Guan 2001). In order to cope with the challenges of global capitalism, the PRC leaders have to reconcile two powerful and competing demands. On the one hand, the labor costs of domestic products have to be reduced in order to maintain the global competitiveness of PRC industries. On the other hand, the fundamental economic restructuring resulting from the transition to the market economy has brought the Government intensified problems of unemployment. Thus, the PRC regime now has to balance efficiency and equality. With the intention to enhance the overall economic efficiency of its state enterprises, the Government has attempted to create more attractive prospects for foreign investors by restraining the increase in public expenditure—cutting generous welfare benefits in the areas of social security, housing, public health, and education (Wong and Flynn 2001). In addition to revitalizing the role of the market or the private sector in social policy financing and provision, the post-Mao leaders are also trying to make use of other nonstate sources/actors, including the community, the society (particularly nonprofit organizations), individuals, and families to provide and finance social policy.

Such changes can be succinctly characterized by the proliferation of actors and sectors other than the state in social policy provision, indicating that the state no longer takes all responsibilities in social welfare and social policy. At the same time, social policy/social welfare providers diversify, as actors

and sectors other than the state become more prominent. During such a process, the state abandons the universal and state welfare/social policy model and a selective welfare/social policy model has evolved, whereby the state now becomes the last resort of social welfare/social policy provision, providing the safety net instead of monopolizing social policy financing and provision.

VII. Social Policy Paradigm Shifts and Changing Governance in Post-Reform PRC

When we contextualize the education restructuring and health care reforms in the wider public policy contexts of decentralization and marketization, we realize that the PRC's social policy sector has been experiencing a fundamental governance change. The proliferation of coordinating institutions (i.e., the empowerment of local governments, the autonomization of individual education and health care institutions, the involvement of the market and the community) suggests that the nature of the work the state does has changed from directly coordinating, administering, and funding education itself to determining where the work will be done and by whom. This marks a sharp break from the governance model of the Mao era, when the central administration imposed control over every aspect of social policy and governance, leading to the problems of overadministration and overintervention in the three major governance activities. "Bureaucratic governance" is now inappropriate in the socialist market economy, since the policy trends and style of the "interventionist state model," characterized by centralization and state dominance, would kill the initiatives and enthusiasm of local educational institutions and other social forces in creating more educational opportunities. In order to unleash nonstate sources and mobilize nonstate resources, therefore, the PRC Government started the reform and restructuring processes in an effort to make its education and health care systems more responsive and competitive in the global market place.

The diversification of actors and sectors in education financing and provision, copayment and contributory schemes in health care; the revitalization of the market; the call to community, society, and individuals and families to contribute to education and health care financing and provision have shown that the state has attempted to choose these nonstate sectors/actors as new policy instruments and actors to resolve its major financial difficulties in sustaining the traditional "interventionist state model." By making use not only of market forces but also other forces such as individuals, families, local communities and the society, the state is now saved from being overburdened

with a continual increase in education financing. The attempts to make the social policy systems more efficient and responsive, on the one hand, and the strategies being adopted to cut costs, on the other, clearly show that the motives for the changes/reforms in social policy are mixed and complex. Moreover, the growing interdependence between the state (public) and nonstate (private, community, family, and individual contributions) will lead to a decline in hierarchical forms of intervention from the state, but other forms of governance will emerge. When education and health care financing and provision are no longer monopolized by the state, the conventional “interventionist regulation” framework (implying a hierarchical intervention of the state in imposing micro control of every aspect of education delivery) is dysfunctional.

Table 2 shows how the three major coordinating institutions change their role/involvement in the three major education governance activities. The state gradually reduces its role in social policy financing and provision, while the market and other nonstate sectors become more important. Conceptualizing the efforts that the PRC Government has adopted to restructure the education and health care sectors, it is clear that the state has gradually moved beyond the “interventionist state model” toward the “deregulated state model” and the “accelerationist state model.” By “deregulated state model” is meant the policy trend and style characterized by decentralization and mobilization; “deregulated governance” is central to this model. The central features of the “accelerationist state model” are marketization, privatization, and leadership by societal sources. As to the “accelerationist state,” what makes this type of state so intriguing is that it intervenes in markets in order to accelerate them. Thus, it is not altogether a market-embracing state model. Instead, the accelerationist state operates according to the logic of the market but intervenes in markets in order to remove inefficiencies. Analyzing changes

Table 2. Changing Roles of Coordinating Institutions in Social Policy Governance

Governance activities Coordinating Institutions	Provision	Financing	Regulation
State	+ -	+ -	+ +
Market	+ +	+ +	+ +
Community / Civil society	+ + +	+ + +	+ + +

Notes: + - = important but reduced in importance; + + = more active and important role; + ++ = more anticipated participation.
Source: Author’s research.

and transformations in education and health care provision, financing, and delivery that were discussed earlier in light of this model, we may well argue that the state-society relationships have changed, with the government role becoming more like a coordinator, steering rather than commanding public policy developments. By making use of the market and other nonstate sectors/actors to resolve the problems originally addressed and resolved by the state, the PRC has successfully downloaded social welfare/social policy responsibilities onto society. It is in this context of transitional economies that “market governance” will become popular, and internal competition and efficiency drive will be the determining forces in education and health care policy and development.

Although the overall responsibility for securing the provision of education still lies with the central Government in the PRC, the state cannot adopt the same interventionist regulatory framework to govern the relationship between the state and the nonstate/private actors. The proliferation of private/nonstate actors in education/health care will certainly pose challenges to the conventional regulatory framework, driving the state to move away from the “interventionist regulation” framework to “interfering regulation” and “regulated self-regulation” frameworks, especially when patterns of interaction between private and public actors in education delivery are cooperative. Special arrangements have to be made to allow private/nonstate actors to participate in policy making and implementation; delegating power to these nonstate actors and self-regulatory frameworks should be established to govern these newly emerging private/nonstate education/health care coordination institutions (Table 3).

Table 3. Three Forms of Governance

Mode of State	Interventionist State	Deregulated State	Accelerationist State
Mode of Governance	Bureaucratic Governance	Deregulated Governance	Market Governance
Policy Trend and Style	Centralization State Dominance	Decentralization Diversification Mobilization	Marketization Privatization Societal-Sources-led
Form of Regulation	Interventionist Regulation	Interfering Regulation	Regulated Self-Regulation

Source: Author's research.

One point deserving particular attention here is that even though the social policy/welfare restructuring processes taking place in the PRC seem to suggest a fundamental change of social policy governance toward the deregulated and accelerationist state models, the central Government's and local governments' continuing and considerable extent of control over education policy and health care development should not be underestimated. Nonetheless, the diversification of social policy and welfare providers has made the conventional governance model inappropriate. With more actors involved in education and health financing and provision, coupled with the increasing involvement and contributions by individuals, the relationship between the state and the nonstate sectors in welfare and social policy is bound to change. The "rolling back" of the state as a *regulatory state* has been clearly shown from the trends of decentralization, deregulation, privatization, marketization and administrative reforms in education. During the change processes, regulation is rolled back, but more regulation is needed in a mixed economy/multiple provider situation. What is different from the traditional regulatory framework, which attaches weight to state "micro control," is that individual education/health care institutions are given more autonomy and flexibility to run their services and self-regulatory frameworks are set up according to professional standards to govern their businesses. In an effort to monitor the quality of services offered by nonstate sectors, modern states may change their conventional regulatory frameworks by setting out overall directions for policy developments or imposing only "macro control" instead of "micro control", so that "interfering regulation" and "regulated self-regulation" become more prominent in regulating public services in the future. With considerable autonomy given to the teaching and health care professions, coupled with the rise of professionals in the PRC, new state-education-health-profession relationships will evolve.

VIII. Governing through Governance: Weakening the State Capacity?

This paper has discussed how globalization has accelerated changes and restructured processes in the post-Mao PRC, causing fundamental changes to social policy and welfare developments in general and to education and health care reforms in particular. One of the most interesting theoretical issues in social policy change in post-reform PRC is whether the state's capacity to tackle social and economic issues has weakened under the growing impact of globalization. In my judgment, the reform strategies that the PRC government has adopted in transforming its social policy/

welfare sectors should be understood as strategies adopted to deepen the administrative reform and to reinvent its bureaucracy (Mok 2004). The reforms and fundamental restructuring in the education and health care sectors are to reduce the financial burden of the state in education financing and provision. Even though there may have been similar trends and patterns in public policy and public management along the line of privatization, marketization, commodification and corporatization, governments in different parts of the globe use similar strategies to serve their own varying political purposes. Modern states may tactically make use of the globalization discourse to justify their own political agendas or legitimize their inaction (Cheung and Scott 2003; Hallak 2000; Mok 2003). In the case of the PRC, reforms and restructuring processes taking place in the education and health care sectors could have enhanced the state's capacity rather than weakening its role, especially since the PRC Government has chosen the role of regulator, enabler, and facilitator instead of heavy engagement as provider and funder (Kooiman 2000; OECD 1995). In this regard, globalization could be conducive to reconfiguring modern states, driving modern governments to restructure their governance models and reform the ways they manage the public sector (Pierre 2000, Pierre and Peters 2000). These changes could also be seen as powerful incentives for modern states to change their roles and reform their institutions in order to accommodate the demands and pressures generated from external environments.

Only when we place such restructuring experiences in the PRC's unique political-cultural context and its broader decentralization in both political and economic realms can we better grasp the tensions and dilemmas that the PRC is now facing. On the one hand, the central Government is keen to make use of the energies and potential unleashed through the socialist market. On the other hand, the socialist regime is worried that the same creative process of liberalization/decentralization will weaken the state's ability to exercise control over social and political sectors. As with experiences elsewhere (e.g., the United Kingdom), when strategies of deregulation, contracting-out, agentification, and privatization are introduced to reform the public sector (Hood 1991; Bache 2003), the reforms may not necessarily lead to the "hollowing out of the state" and the weakening of state capacity. In contrast, the introduction of new governance, particularly the diversification of nonstate actors and the proliferation of policy tools, may enable the state to retain and enhance policy control. As Pierre has rightly argued, "As the state's traditional power bases seem to be losing much of their former strength, there has been a search for alternative strategies through which the state can articulate and pursue the collective interest without necessarily relying on coercive instruments" (Pierre 2000: 2). Having downloaded social policy/

social welfare responsibilities to other nonstate actors, the PRC now takes up the role of facilitator, enabler, policy coordinator, and regulator. By performing such roles, the state can retain control over education and health care policy without overburdening itself with problems of provision and financing. At the same time, the PRC Government can streamline its bureaucracy and make its public administration much more responsive and appropriate to the changing socialist market economy.

IX. Conclusion

Analyzing transformations of education and health care policy in the PRC, we come to the conclusion that we should not discard the role of the state in determining policy options and we must be sensitive to the unique constitutional and institutional context in which the choice and mix of policy instruments are determined. The PRC Government may well articulate its legitimate call for pressing forward with education and health care restructuring with the justifications of globalization. The paradigm shift from the interventionist to the accelerationist state model may be interpreted as pragmatic and instrumental strategies adopted by the state to strengthen its capacity to deal with pressing demands for education and health care services, rather than as a genuine ideological shift from socialism to a philosophical commitment to the neoliberal values of the market economy. Most significant of all, the changing mode of the state, together with the changing mode of governance and policy trends and styles, has pointed out that the dichotomy between the market and the state is analytically problematic and practically unrealistic. The PRC case has clearly demonstrated that the state may tactically make use of the market and other nonstate actors/sectors as policy instruments to reduce the burden of the state in education and health care financing and provision, and that the adoption of such policy tools may well strengthen state capacity. Thus, we must pay particular attention to the interactions, tensions, and changing relationships between the state, the market, society, and other nonstate sectors. The case study discussed above has shown how the PRC Government can reconstruct and restructure the way the education and health care sectors are governed; the adoption of new governance strategies, rather than diminishing state capacity, may make the state more proactive in coping with changes. Capitalizing the market economy to accelerate reforms and changes in the public sector, coupled with governing through governance, the PRC can achieve its policy goals more effectively and reinvent public policy delivery more efficiently by searching out additional resources and involving nonstate actors in running the public sector.

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Poverty Reduction in Bangladesh: Does Good Governance Matter?

AKM Ahsan Ullah¹

I. Introduction

Governance connotes the services that governments provide in an efficient manner to the governed. Since the appearance of interest in good governance at every sphere of development discussions and on the aid agenda in the late 1980s, it has gained substantial popularity among both multilateral and bilateral aid providers (World Bank 1999). Improved governance can better the lives of poor people, which is essential to create the environment for faster economic growth (Sobhan 1998). Good governance contributes to higher per capita incomes, higher standards of living, lower infant mortality, and higher literacy, while the cost of poor governance, manifested in terms of inefficiency and corruption, disproportionately hurts the poor and the disadvantaged, reduces investment, retards economic growth, and thus hinders a nation's development. A strong correlation can clearly be seen between per capita incomes and the quality of governance (World Bank 1999, Kaufmann and Kraay 2002, Mallik and Ullah 2004). A large number of factors, including slow growth rates, structural adjustment, low human resource development, and poor law and order conditions, contribute to an increase in poverty; however, the governance crisis, which has assumed alarming proportions, is the main cause of the increase in poverty. Many governance issues are interlinked with corruption. While poor governance is an impediment to the implementation of pro-poor policies, poverty worsens the governance structure even more (Hassan 2002).

Good governance is supposed to ensure civil, political, economic, social, and cultural rights. The state must provide a framework of law and regulation within which people can exercise their rights and where these conditions are not in place, it is the poor who pay the price. Bangladesh is a country where poverty is pervasive and good governance is rare. It is believed that inefficiency and widespread corruption of the government led to the

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proliferation of nongovernment organizations (NGOs) in Bangladesh. The number of NGOs has reached more than 20,000 and most of them have two major goals: alleviating poverty and empowering poor women. Since the birth of the country in 1971, national and international NGOs, aid providers, and bilateral organizations, along with the government, have engaged in development efforts to alleviate poverty. After the passage of 3 decades, outcomes in poverty reduction are disappointing. Hence, the question arises whether a link exists between poverty and governance. This paper intends to answer this question.

II. Governance and Poverty, Bangladesh: Variants of Good Governance

Good governance demands that government policies that must be put into place in order to promote sustainable livelihoods must involve wide participation of civil society, issues of accountability and transparency, decentralization, and issues of corruption. Decentralization can be described as the redefinition of structures, procedures, and practices of governance to be closer to the citizenry. Deconcentration, delegation, and devolution are generally recognized as the main forms of decentralization (Miller 2002). In recent years decentralization, the transfer of decision-making competence from the central Government to regional or local community levels, has gained importance as a variant of good governance in development discourse. Many countries recognize that a lot of problems can be solved by strengthening regional and local government administrations. These trends directly affect development agencies, which over the past few years have increasingly supported decentralization efforts in many countries (SDC 2001). Transparency is a necessary condition for the better functioning of any organization. In the last few years, the country has been under pressure to improve transparency and increase public participation in its activities (Rana 2001). Transparency, the availability of information to the general public and clarity about government rules, regulations, and decisions, reduces uncertainty and inhibits corruption among public officials (Kaufmann and Kraay 2002, ADB 2004). Participation as a popular concept in governance is the process of involving stakeholders at different levels in decision making from meso to macro levels (Cohen and Uphoff 1980); the lack of it allows bureaucratic influence to hinder the paths of prosperity. Participation, which is obviously related to accountability, helps identify people's interests, mobilize public opinion, and foster a "bottom-up" approach to economic development (ADB 2004).

Government programs have been conspicuous for their top-down approach to designing development projects. The negative effects of this approach have been compounded by the absence of accountability of public servants, either to their superiors or to the community they are meant to serve. Accountability to those above and below is identified as the decisive factor for enhancing the quality of service delivery to the poor (Sobhan 1998). In Bangladesh, democratic institutions are still immature and have not yet been consolidated into institutional behavior, producing dysfunctional forms of political negotiation (e.g., *hartals*² [strikes]) and other forms of nonconstructive and destructive opposition (Figure 1). The Awami League, one of Bangladesh's two major political parties (of a total of 185), called 173 days of hartals while in opposition during the Bangladesh Nationalist Party (BNP) government (1991–1996); the BNP in turn called 85 days of *hartals* when the Awami League was in power. While in office, Awami League president Sheikh Hasina pledged in public meetings that her party would not organize any more hartals even if it was in opposition, but all her pledges were conveniently forgotten (Datta 2003). The business community estimates that each day of a *hartal* costs US\$60 million. Moreover, such a political environment breeds violence in labor and student politics and contributes to an overall climate of lawlessness in which life and property are both insecure.

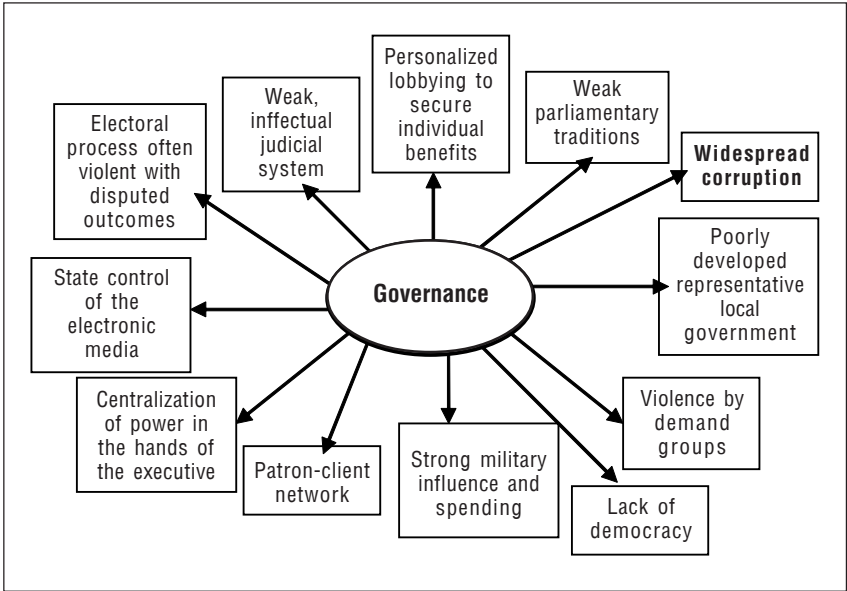
Bilateral aid providers today include political considerations in their good governance agendas. They generally tend toward a more positive approach in the form of support for democratic institutional change (such as support for election monitoring, civil society organizations, and training of parliamentarians). Accountability ensures appropriate use of public resources, transparency of decision making, freedom of media and control of corruption. Greater accountability and transparency in the public sector can make the state more responsive to the needs of the poor; it enables the poor to exercise a “voice” to influence service provision. Unfortunately, in Bangladesh a large number of activities remain outside public scrutiny, where the possibility of breeding corruption is high. Many bureaucrats tend to classify nonsecret information as “secret” or “official” or “restricted” out of fear of divulging classified information by mistake.

Participation is seen as important in enabling the poor to gain access to public services and to the benefits of development more generally. In Bangladesh, this assumption forms the basis of most development NGO efforts and the social development support for them by aid providers. Problems of

² A *hartal*, or strike, usually called by the opposition in Bangladesh to harass the sitting government, obstructs all movements of vehicles and closes by force all offices and business enterprises; terror is created among the public by setting off explosives and public properties are destroyed.

governance stem from undemocratic behavior of political parties and their violent actions, lack of participation in development activities and decision making, lack of transparency, the nonattendance in Parliament by the opposition, and the breakdown of law and order (Figure 1). The lack of an institutional mechanism to restrict and curb authoritarian tendencies as well as to establish the independence of various institutions has led to problems of governance. The leaders of the two major parties (Khaleda and Hasina) pledged to former United States President Jimmy Carter that they would accept the parliamentary election results of 2001 and that the party in opposition would not boycott Parliament (Datta 2003). Soon after the election, however, Hasina forgot the pledge and said “We will neither take the oath as members of Parliament nor join the Parliament.” In the fifth Parliament, the opposition boycotted 118 days continuously; in the seventh, 180 days, and in the eighth, 225 working days (Appendix 1). The opposition often disregards the Parliament and treats the institution as merely a forum for and by the ruling party. However, I will go further with the rampant corruption trend and its consequences for the poverty reduction processes in Bangladesh.

Figure 1. Atypical Governance in Bangladesh



Source: Modified from TIB 2001, Sobhan 1998.

III. Poverty and Inequality

Poverty refers to the forms of economic, social, and psychological deprivation occurring among people lacking sufficient ownership, control, and access to resources to maintain the minimum level of living. Poverty, a multi-dimensional concept, is not just inadequacy of food intake but also of the essential capabilities of life, including good health, longevity, education, and participation in the life of the community (Chowdhury 1989; Ullah and Routray 2003; Hassan 2002). Bangladesh has undergone a lot of political mayhem since its inception in 1971 (Government of Bangladesh 1999) after a 9-month war for independence at the cost of 1,247,000 lives (Siddiqui 2000). The country is predominantly rural, with an agricultural economy, and the overwhelming majority [around 80%] of the population lives in rural areas (Hye 1996). The 129.2 million people of Bangladesh put an enormous strain on the country's limited resources (CPD 1996). Successive governments have made commitments to eradicate poverty, but all the commitments have remained rhetorical. As a result, in 1995/96, 47.5% of the population of Bangladesh was living below the poverty line (Sobhan 1998). After about 3 decades of emphasis on poverty alleviation by governments and NGOs, poverty continues to be pervasive and overwhelming (Siddiqui 1996) (Table 1). Bangladesh has been receiving an average of US\$2 billion in loans and grants annually since the early 1970s. However, the World Food Program has calculated that some 30 million "ultrapoor" Bangladeshis eat far less than the minimum nutritional level of 2,100 kilocalories a day and two thirds of these are women (Islam 2000). Although Bangladesh grew more food than it needed last year, a surplus was achieved only because the hungry people were too poor to buy for their needs. According to the human poverty index ranking of the *Human Development Report*, Bangladesh ranks 67th among 78 developing countries (UNDP 1997). Bangladesh's Human Development Index ranking is equally depressing: 123 among 146 countries in 1997; 139 among 177 countries in 2003 and 138 among 177 countries in 2004, with a slight improvement from previous years (*Jugantor Daily* 2004, UNDP 1997). A very similar picture is reflected in the World Bank's new system of measuring the real wealth of nations: Bangladesh ranks 12th from the bottom among 192 countries (*Ittefaq Daily* 2004).

Located in one of the world's most disaster-prone natural environments, Bangladesh exhibits one of the worst profiles of human deprivation. Table 2 presents the trends in poverty and the persisting inequalities in Bangladesh in terms of headcount ratio, poverty gap, squared poverty gap, and Gini index (coefficient) of inequality. Although between 1991/92 and 2000 the incidence of national poverty declined from 59% to 50%, indicating a [modest] reduction

Table 1. Population Below the Poverty Line

Year	Rural (%)	Urban (%)
1988/89	47.8	47.6
1991/92	47.6	46.7
1995/96	47.1	49.7
2000/01	45.1	48.6

Source: World Bank 2001, Ullah and Routray 2003.

rate of 1.0% per year (Mujeri and Khondker 2002), inequality has increased over the years: the Gini coefficient was 0.432 in 1995–96, compared with 0.36 in 1983–84 (CIRDAP 1997). Against the background of poverty and underdevelopment, rapidly growing numbers of people are finding themselves without enough land to satisfy their basic needs and without any substantial hope of gainful employment (Ullah and Routray 2003). This fundamental problem of landlessness and unemployment is in large part caused and perpetuated by high population growth, low educational levels, and socioeconomic power structures that result in the concentration of productive lands in the hands of a relatively small number of wealthy households (Blair 1985).

Table 2. Trends in Poverty and Inequality

		1991/92	2000	Change per year (%)
Headcount rate	National	58.8	49.8	(1.8)
	Urban	44.9	36.6	(2.2)
	Rural	61.2	53.0	(1.6)
Poverty gap	National	17.2	12.9	(2.9)
	Urban	12.0	9.5	(2.5)
	Rural	18.1	13.8	(2.8)
Squared poverty gap	National	6.8	4.6	(3.8)
	Urban	4.4	3.4	(2.7)
	Rural	7.2	4.9	(3.8)
Gini index of inequality	National	0.259	0.306	2.1
	Urban	0.307	0.368	2.3
	Rural	0.243	0.271	1.4

Note: Figures in parentheses are negative.
Source: BBS 2001, Mujeri and Khondker 2002.

IV. NGOs: The Poverty Alleviators?

Today, the terms “NGO” and “poverty alleviation” have become synonymous. Bangladesh is crisscrossed with some 20,000 NGOs and serves as a veritable laboratory for their operation. While poverty is increasing, the NGOs market their products (such as microfinance and health programs) among the poor. With a chorused slogan of poverty alleviation, they have been trying to break the vicious cycle of poverty. Development partner funding has also been redirected to them because of their presumed better performance, greater effectiveness and efficiency, and greater promptness in responding to the poor’s needs (than the Government).

It has been evident that the development partner assistance to the Government has little impact on poverty. Increasing amounts of unutilized aid and the absence of any remarkable change in the poverty indicators have been frustrating to the aid providers. This has been mainly because of inefficiency, lack of accountability and transparency, high levels of corruption, and lengthy bureaucratic processes for releasing funds (Ullah, Rahman, and Murshed 1999). As a corollary of their failures in addressing these issues, successive governments have surrendered ownership over national policy agendas in the field of poverty alleviation to international aid providers and NGOs (Sobhan 1998), so that the latter now have an important role in the poor’s struggle for equity, human rights, and democracy. It has been argued that this role may be particularly important since the poor are marginalized in the political process and political parties are ineffective for advocacy and lobbying; NGOs may advocate and lobby for social causes, attempt to force through the implementation of legislation, or take legal action on behalf of groups. However, the way the NGOs receive funds from aid providers promotes inefficiency as well as some corruption in the aid delivery system and is thus hardly conducive to good governance in poverty alleviation programs (Sobhan 1998). Large-scale NGO development programs backed by increased aid provider funding have nonetheless generated contradictions between the Government and NGOs and has brought the issue of NGO accountability into the political discourse (Hashemi 1996; Ullah and Routray 2003). Many observers accuse aid provider countries and agencies of patronizing corruption. A task force headed by the Grameen Bank claimed in 1991 that barely 25% of the people of Bangladesh benefited from aid. Cronies and consultants of the aid provider agencies in league with local contractors, politicians, and officials were eating up the lion’s share of foreign loans, aid, and grants (*Daily Excelsior* 2004).

In 1971, when Bangladesh separated from Pakistan, it held the promise of a stable democracy; however, the promise was soon belied (Datta 2003).

The polity is dominated by changing national identities, personalized politics, the absence of political accountability, lack of a responsible opposition, and a worsening law and order situation. Citing as sources the World Bank, Transparency International Bangladesh (TIB)³ and the United Nations Development Programme, the *Daily Excelsior* reports that billions of dollars change hands every year as bribes, kickbacks, deals, favoritism, cronyism, and nepotism. Immediately after the liberation, Bangladesh received huge amounts of foreign aid. A total of 75 million blankets came for the war-ravaged people. However, all the blankets were grabbed by the then responsible ministers. The Prime Minister was so shocked at grabbing the blankets of the poor that he sadly claimed his own blanket and was told “Where is my one?”

A total of 619 lawmakers (Parliamentarians) including Speakers and Deputy Speakers of the house, have defaulted on paying telephone bills and the amount is huge (Tk8,37,42,000 or US\$1,419,355.9). The Telegraph Act (1985) says that telelines should be disconnected if the bills are not paid in 7 days after deadlines. The *Prothom Alo* reports that these laws of the land are never enforced for these lawmakers (*Prothom Alo* 2004b). In the seventh Parliament, 29 MPs were found to be bank loan defaulters in the amount of Tk312 million (Appendix 2).

Smothering press freedom can also be added to the corruption indicators. One Tipu Sultan (27), a journalist for United News of Bangladesh (UNB), a private news agency, was brutally beaten by a gang associated with Zainal Aabedin Hazari, MP of the ruling party from Feni (Southeast of Dhaka). Sultan is struggling for life in the Orthopedic Hospital in Dhaka. He was beaten continuously and mercilessly, his hands and legs were broken. He was then left in the street where a pedestrian brought him to the hospital. His family and relatives were also living in a state of extreme insecurity. This is one of hundreds of examples.

V. Corruption: The Repulsive Scenario

Bangladesh retains its championship(!) in corruption, scoring the lowest position among 146 countries in 2004 for the 4th consecutive year (Table 3). Launching the Corruption Perceptions Index 2003 (CPI), Transparency International reports that “corruption is pervasive in Bangladesh” and the CPI 2003 catalogues the corruption of politicians and government officials

³ A Berlin-based organization working on corruption- and human rights-related issues.

Table 3. Bangladesh's Achievement in the Corruption Perceptions Index

Year	Score	Number of countries compared
2001	0.40	91
2002	1.33	102
2003	—	133
2004	1.50	146

Note: — = not available.

Source: TIB 2001, 2002, 2003.

(*New Nation* 2003). Bangladesh is notorious for its weird bureaucratic bottlenecks, which are most detrimental to growth. Roughly, bribes of Tk100 million are transacted daily in the Bangladesh Secretariat. What is interesting to note is that, when everybody steals, individuals have little or no incentive to refrain from participating. Besides, the probability that one would get caught is low, since everybody is now engaged in stealing, the law enforcement agencies might be busy chasing other thieves, and, even if anyone does get caught, evidence suggests that the chances of being punished severely for a crime are very low (Kabir 2002).

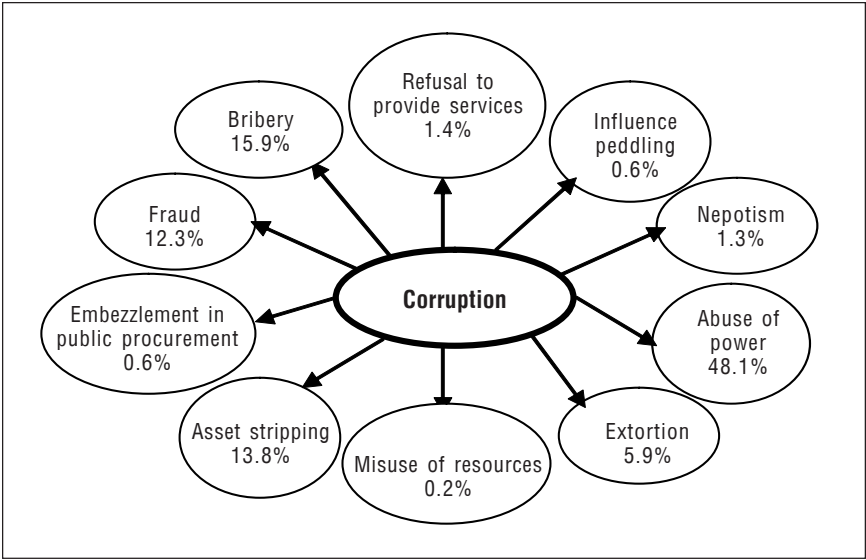
While Karim (1996) argues that NGOs in Bangladesh are answerable to four different authorities, one such authority is the “board of governors.” However, Tandon (1996) characterizes this type of board as like a “family,” while many NGOs have invisible boards. Today their activities are in question, since after 3 decades of operation, no visible change has taken place in the poverty situation judged against economic indicators (Ullah and Routray 2003). NGOs, however, have a greater achievement in social development, such as the empowerment of women. In 2002 alone, 64 corruption cases were brought against NGOs (TIB 2002). One of the most common forms of corruption observed is that the commitment of NGOs to improve other people's lives has changed to a desire to improve their own; they have lost the high moral ground (Holloway 1999). They are also highly criticized for their expenditure pattern, i.e., the operations costs to maintain their high salaries, vehicles, and air-conditioned offices often exceed 65% of the total budget.

VI. Corruption: A Corollary of Poor Governance

Corruption is defined as the abuse of public power for private gain (World Bank 1997). It involves a monopoly of resources and the abuse of discretion that can be detrimental to economic performance by leading to unproductive

rent-seeking activity to gain access to the spoils of corruption; the misallocation of public resources to suboptimal uses; and administrative delays for the private sector if bribes are not paid. Corruption impacts disproportionately on the poor, as it can restrict their access to public services. High levels of corruption have gripped all the state machinery in Bangladesh, slowing down investment and growth. It has prevented a fair distribution of national wealth and broadened the gap between rich and poor. Studies have shown a clear negative correlation between the level of corruption and both investment and economic growth (World Bank 1997). It is generally believed that the institutional decay in Bangladesh has led to poor governance manifested in corruption, inefficiency, ineffectiveness, inaccessibility, and lack of motivation and incentives (Hassan 2002). The following figure shows that abuse of power scores the highest in the corruption indicators, followed by bribery (Figure 2).

Figure 2. Dynamics of Corruption



Source: Modified from TIB 2002.

Bribery today is institutionalized in Bangladesh. When bureaucrats start considering bribes as a systematic part of their remuneration, leading them to pursue bribery rather than discharging their appointed duties, inefficiency increases in the system as a whole. The law enforcement agencies,

which include police, the Bangladesh Rifles, and the Ansar and Village Defence Police, are mired in corrupt activities like abuse of power, bribery, embezzlement, nepotism, and refusal to provide services or perform duties (Kabir 2002). They are the most corrupt service sector in the public agencies. Corruption in the Bangladesh Police Force has been highlighted as a serious problem for the poor (TIB 1997, 2001); hence, many of the poor practice a policy of police avoidance. In many poor communities, especially slums, routine law enforcement is in effect contracted out to *mastans* (hoodlums or hooligans) or other powerful actors (Ullah, Rahman, and Murshed 1999). Police intervention occurs in more serious circumstances and may result in arbitrary arrests and oppression. According to a retired public servant cited in the *Daily Excelsior* (2004), the Bangladesh police play every dirty trick to extort money from the innocent and the criminals as well. People have generally lost their confidence in the police and prefer to keep themselves at a safe distance from them and decline to seek help from them even when they are in real trouble. TIB (2003) reports that the police demanded bribes from 68% of the respondents in one study, while in another, 90% reported that it was impossible to obtain help from them without money or influence. It also reports that more than 100 police officials in Dhaka City own properties worth more than US\$60 million (*Daily Excelsior* 2004).

The saying “every grain of dirt of the Secretariat building waits for bribes” comes true. Transaction of bribes between the gate keepers and the intended entrants to the Secretariat is in the open. Prime ministers, presidents, ministers and MPs are convicted in corruption cases, i.e., corruption has become very normal affair for everyone from the top to the bottom in the government apparatus. One of the instances of corruption in Bangladesh raised a lot of hue and cry: the Danish government announced in April 2002 that it was withdrawing US\$45 million of aid from the Bangladeshi shipping sector because the Shipping Minister [Akbar Hossain] had behaved dishonestly over a tender for the repair of four ferries (Kabir 2002).

Corruption has become institutionalized, especially during the 9-year one-man rule of deposed President H. M. Ershad, who used it to perpetuate his regime. He has been convicted by the High Court in a corruption case and more than a dozen other such cases are still pending against him. He siphoned out huge amounts of state funds. He encouraged rent-seeking practices, bribery, corruption, and favoritism. During his regime, dishonest industrialists and businessmen were doled out bank loans without security, and a culture of loan default began to catch on. By the time he was eased out of power toward the end of 1990, the amount of defaulted loans stood at US\$2 billion. When the BNP came to power in 1991, as many as 21 cases were framed against him, of which 19 were for corruption (*Daily Excelsior*

2004). Prime Minister Begum Khaleda Zia had also been charged during the rule of the Awami League (1996–2001) with two separate corruption cases. A former Prime Minister, Kazi Zafar Ahmed, was convicted by a court in a corruption case and to avoid a jail sentence he is now living in self-exile in Australia (Kabir 2002). Ex-Prime Minister Sheikh Hasina was convicted for embezzlement of huge amounts of state money from procurement of Mig-29 aircraft and frigates. However, everyone went unpunished other than H. M. Ershad, as he just failed to connect with the then ruling party.

VII. The Price of Corruption

In 2002, 2,778 cases of corruption in different sectors were reported (TIB 2002). Corruption is difficult to define and is perceived differently depending on location and culture. However, corruption is indeed rooted deep in Bangladesh. It is the poor who pay the price of corruption, and it is too high for them to bear. It has drained the government’s wealth of an estimated Tk115.34 billion, or US\$2.1 billion, during the first half of 2000 (January–June) (TIB 2002). Health care is one of the most corrupt sectors among government agencies. Dishonest civil surgeons in cahoots with businessmen earn more than Tk60 billion yearly by selling adulterated medicine (Maruf 2004). A few embezzlement cases from January to April 2000 in the nonformal education sector, the civil surgeon’s office, road and transport, and a seaport are given here (Table 4).

Table 4. Selected Embezzlement Statistics for January–March 2000

Scheme	Amount (Taka ‘000)
Nonformal education	1,150,000
Civil surgeon’s office	50,000
Police, road and transport, food, and tax	2,124,453
Chittagong Sea Port	7,830,000

Sources: *Janakantha* Daily 2004, *Prothom Alo* Daily 2004a.

Table 5 shows that the Government has incurred huge losses. This amount is calculated only from around 30% of the total corruption cases, as the amount of loss was not revealed in all corruption cases detected. So the actual amounts should go up much higher than we can ever imagine! Significantly, only a very small percentage of corruption cases were brought to justice by the Government, a situation that certainly encourages the corrupt officials to repeat the practices.

Table 5. Amount of Public Funds Lost

Year	Amount of loss (US\$)	% of measures taken [against the total corruption cases]
2000	1.6 billion	21.6
2001	757.2 million	27.4
2002	2.1 billion	22.9
2003 (6 months)	99.41 million	—

Note: — = not available.

Source: TIB 2001, 2002, 2003.

VIII. Conclusion

In Bangladesh society, the least influential are more likely to be prosecuted, while powerful politicians and bureaucrats are never prosecuted in office, however egregious the corruption. Governments have not been friends of the poor—indeed, very much the opposite. The well-off have the resources to capture the state and make government policies serve their own purpose. All are the corollaries of misgovernance. In the polity, street protests, violent antigovernment demonstrations, and boycotts of Parliament weaken the properties of governance. Better governance and poverty reduction to a large extent go together. Further emphasis on promoting mechanisms of accountability and transparency and the voices of participation are required. Nevertheless, the question echoes: whose money is grabbed by the corrupt? The answer is: the money of the poor.

Without high growth rates, poverty might not be eradicated, but good governance would ensure egalitarian distribution of the benefits of growth that reduce poverty. To promote good governance, the Bangladesh Anti-Corruption Bureau should be restructured and given full autonomy to operate; at the same time the constitutional requirement of appointing an Ombudsman (Article 77) has to be satisfied. Corruption drains away

money to people who are not entrepreneurs and who do not need it, and this huge amount of money is being spent in unproductive sectors. Curbing the cancer of corruption would result in reduced poverty and increased per capita income.

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Appendix 1

Days Different Parliaments Were Boycotted by the Opposition

Parliament	Date of First Sitting	Date of Dissolution	Actual Term	Days Boycotted
First Parliament	April 7, 1973	Nov. 6, 1975	2 years 6 months	–
Second Parliament	April 2, 1979	March 24, 1982	2 years 11 months	–
Third Parliament	July 10, 1986	Dec. 6, 1987	1 year 5 months	–
Fourth Parliament	April 15, 1988	Dec. 6, 1990	2 years 7 months	–
Fifth Parliament	April 5, 1991	Nov. 24, 1995	4 years 8 months	118
Sixth Parliament	March 19, 1996	March 30, 1996	12 days	–
Seventh Parliament	July 14, 1996	July 13, 2001	5 years	180
Eight Parliament	October 28, 2001	Continuing	–	225

– = not available.

Source: [Http:// www parliamentofbangladesh.org/general.4html](http://www.parliamentofbangladesh.org/general.4html).

Appendix 2

List of Members of the Parliament of Bangladesh Defaulting on Bank Loans

Names of Members	Member's Party and Official Position	Amount of Defaulted Bank Loan (million Taka)
A. S. M. Abdur Rab	JSD, Minister	5.390
Anower Hossain Monju	JP, Minister	.921
Nazmul Huda	BNP, Former Minister, member of three committees	.600
Abdul Kader Siddique	Member of four committees	.932
K. M. Obaidur Rahman	BNP, Former Minister	3.640
Captain (Retd.)Tazul Islam	AL	37.540
K. M. Shamim Osman	AL, member of two committees	1.350
Nurul Amin Talukder	BNP, member of one committee	7.370
Syed Masud Reza	AL, member of three committees	48.590
Abdul Mannan	AL, member of three committees	5.350
A. B. M. Abul Kashem	BNP	.080
Waziuddin Khan	AL, member of two committees	.441
Abul Hasanat Abdullah	AL, Chief Whip, JS; member of five committees	2.002
Md. Zillur Rahman	AL, Minister; member of four committees	1.070
Major Gen(Retd.)MA Salam	AL, member of two committees	2.490
Sheikh Fazlul Karim Selim	AL, Minister; member of one committee	10.600
Mosharraf Hossain	AL	36.790
Abdul Mannan Bhuiyan	BNP, Former Minister; member of one committee	9.910
G. M. Siraj	BNP, member of one committee	.518
Barister Ziaur Rahman	BNP member of 1 committees	10.040
Kamal Ibne Yusuff	BNP, Former Minister; member of two committees	2.910
Dr. Mizanul Hoq	AL, member of one committee	1.100
A. K. M Rahmatullah	AL, member of two committee	39.220
Kazi Keramat Ali	AL, member of one committee	1.420
Abdul Mannan Talukder	BNP, member of one committee	10.660
Abdul Latif Mirza	AL, member of three committees	2.730
A. S. M Firoz	AL, Chair of one committee and of member of one committee.	65.25
Syed Manjur Hossain	BNP	.857
Nazimuddin Alam	BNP, Member of two committees	3.07
Total		312.00

Source: *Financial Express* 1996.

Privatization Challenges for Good Governance— A Case of India

Ram Kumar Mishra¹

I. Some Dimensions of Privatization

The quantitative dimensions of privatization provide an insight into the happenings and progress of privatization at the central and state levels. These dimensions vary between the central Government and the states and further between one state and another. Any study of privatization issues needs to begin with a discussion of the quantitative dimensions of privatization. Table 1 provides the state-wide details of privatization of the state-level public enterprises (SLPEs) in India.

Table 1 shows that Andhra Pradesh, Kerala, and Uttar Pradesh have the largest number of SLPEs. However, Andhra Pradesh clearly emerged as the privatization leader, followed by Gujarat. Since then, Andhra Pradesh has continued to lead the other states. Uttar Pradesh, Karnataka, and West Bengal have also been active in this area.

Table 2 shows that the actual receipts from disinvestment amounted to 37.6% of the targeted receipts. The disinvestment could never become a dominant source of funds for bridging the fiscal deficits. A review of disinvestment policy raises questions relating to the method of sale, organization for sale, identification of public enterprises (PEs) for sale, eligibility for bidding, and involvement of concerned PEs in the process. The method of sale has attracted severe criticism. Even the identification of PEs for privatization has been a matter of dissonance.

II. Common Features

The following are the main common features of the SLPE privatization practices in the various states:

- i) Most of the states explicitly or implicitly realized the need for privatization of the SLPEs. The fiscal crunch pressed them hard to go in for privatization.

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Table 1. Status of Privatization of State Level Public Enterprises
(as of 31 March 2003)

State	Number of Enterprises	Number of SLPEs Privatized	No. of Loss-Making Enterprises
Andhra Pradesh	128	30	25
Arunachal Pradesh	5	—	—
Assam	42	—	36
Bihar	54	—	0
Delhi	15	—	3
Goa	16	—	—
Gujarat	49	3	24
Haryana	28	1	16
Himachal Pradesh	21	—	13
Jammu & Kashmir	23	—	16
Karnataka	79	—	38
Kerala	109	—	59
Lakshadweep	1	—	—
Madhya Pradesh	34	—	—
Maharashtra	66	—	44
Manipur	16	—	—
Meghalaya	13	—	10
Mizoram	6	—	4
Nagaland	6	—	3
Orissa	67	1	10
Pondicherry	11	—	5
Punjab	53	1	25
Rajasthan	29	1	11
Sikkim	11	—	—
Tamil Nadu	82	—	47
Tripura	9	—	—
Uttar Pradesh	104	—	68
West Bengal	81	—	62
Total	1,158	37	519

SLPE = state-level public enterprise; “—” = No privatization

Source: Mishra, Kumari, and Kiranmai 2004b.

- ii) Many states formulated a public enterprise policy to consider afresh the retention of their SLPE portfolio.
- iii) Some states set up a mechanism to deal with privatization of the SLPEs, whereas many others were still only beginning to give thought to this issue.
- iv) Manufacturing SLPEs were easier to privatize.

Table 2. Actual Disinvestment, 1991/92–2002/03

Year	No. of Companies In which Equity Was Sold	Target Receipts for the Year (Rs10,000,000)	Actual Receipts (Rs10,000,000)
1991–92	47 (31 in one tranche and 16 in another)	2,500	3,038
1992–93	35 (in 3 tranches)	2,500	1,913
1993–94	2	3,500	0
1994–95	13	4,000	4,843
1995–96	5	7000	362
1996–97	1	5,000	380
1997–98	1	4,800	902
1998–99	5	5,000	5,371
1999–00	2	10,000	1,829
2000–01	4	10,000	1,870
2001–02	10	12,000	5,632 ^a
2002–03	6	12,000	3,348
2003–04	1	13,200	1,335
Total	48^b (see Appendix 1)	91,500	30,823

Notes: ^a Figures (inclusive of amount realized by way of control premium, dividend/dividend tax, and transfer of surplus cash reserves prior to disinvestment etc.); ^b As of 31 January 2003; ^c Total number of companies in which disinvestment has taken place so far.

Source: DPE 2003; Ministry of Finance, Government of India 2003.

- v) The social safety net emerged as an important issue in the privatization exercise.
- vi) Trade sale was the preferred modality for the transfer of ownership.

III. Distinguishing Features

The following are the main distinguishing features among the states' privatization exercises:

- i) Whereas states such as Andhra Pradesh, Karnataka, Punjab, Maharashtra, Orissa, Uttar Pradesh, Manipur, and Assam showed a clear preference for privatization, states like West Bengal, Kerala, Tamil Nadu, Madhya Pradesh, and Meghalaya have preferred restructuring.
- ii) Punjab, Maharashtra, Karnataka, and Kerala set up privatization mechanisms through independent enactments. Rajasthan, Haryana, Madhya Pradesh, Orissa, Andhra Pradesh, Assam, and Tamil Nadu

have either set up separate departments or used existing mechanisms to handle the issues related to privatization.

- iii) Andhra Pradesh, Orissa, Kerala, and Karnataka prepared programs for privatization of their SLPEs in different phases.
- iv) The privatization programs of Andhra Pradesh, Orissa and Uttar Pradesh received the support of the United Kingdom's Department for International Development (DFID) and have been carried out with the support of foreign consultants. The Madhya Pradesh and Gujarat programs received the support of the Asian Development Bank and have also been carried out with the support of foreign consultants.

IV. Process of Privatization

The due diligence process for privatization of the central public enterprises (CPEs) and the SLPEs is as follows:

- Step-1: The government gives its approval for the privatization/sale of an enterprise.
- Step-2: The Department of Public Enterprise (DPE) invites "expressions of interest" (EoI) through open advertisement for the selection of an advisor to assist in implementing the disinvestment decisions. Concurrently, valuation of the SLPE is undertaken in accordance with the standard national and international practices.
- Step-3: The Advisor or Advisors are appointed, with the approval of the Restructuring Committee.
- Step-4: Advisors assist the DPE in issue of advertisement for EoI from prospective buyers.
- Step-5: The prospective buyers are shortlisted, using the prequalification criteria set out in the EoI advertisement.
- Step-6: An Information Memorandum is prepared by the Advisors, in consultation with the concerned SLPE; the memorandum is then given to the short-listed prospective bidders, after they enter into a confidentiality agreement.
- Step-7: The draft sale agreement and other legal agreements are prepared by the Advisors and given to the short-listed bidders to elicit their response.
- Step-8: The prospective bidders undertake due diligence of the SLPE and hold discussions with the Advisors, the government, and the Management of the SLPE for any clarification.

- Step-9: Based on the response received from the prospective bidders, the draft sale agreement and other legal agreements are finalized, vetted by the Law Department, approved by the Cabinet Committee on Disinvestment (CCD) and then sent to the prospective bidders for the invitation of final binding bids (Technical & Financial).
- Step-10: After examination, analysis, evaluation and further negotiation, if necessary, the recommendations of the Inter-Departmental Core Group are placed before the CCD for final decision regarding selection of the preferred bidder, signing of necessary legal agreements, and other ancillary issues.

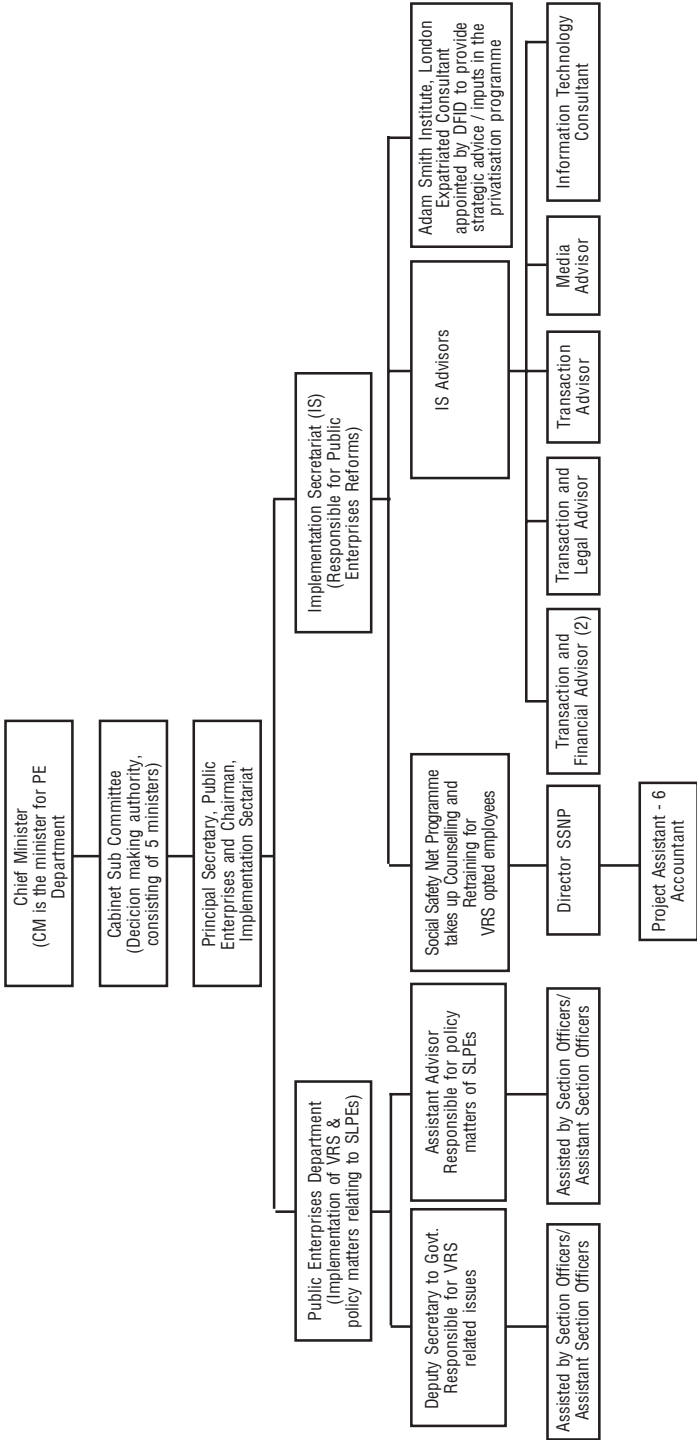
It is clear that the privatization process is very slow-moving and cumbersome. The implementation mechanism is too complex at the central level, whereas some state governments have modified the mechanism adopted by the center to their requirements, giving due consideration to factors such as transparency and speed. The cumbersome privatization process adopted by the central Government and the various state governments in India has delayed the implementation of privatization programs and undermined the revenue potential from privatization. Figure 1 depicts the implementation mechanism for privatization in Andhra Pradesh, the leader in privatization efforts.

V. Comparative View: Center vs. States

The following are the chief comparative features of privatization relating to CPEs and SLPEs.

- i) The disinvestment/privatization of CPEs began after the launching of the New Economic Policy in July 1991, whereas the states resorted to privatization of SLPEs much earlier, e.g., Allwyn Nissan in Andhra Pradesh, Uttar Pradesh Auto Tractors Limited in Uttar Pradesh, and Charge Chrome Plant in Orissa.
- ii) The states preferred trade sale as the modality of privatization, whereas the central Government preferred partial disinvestment and strategic sale.
- iii) The states tended to prefer an independent legislative act to execute privatization programs, while the central Government tended to use executive action.

Figure 1. Implementation Mechanism



Source: Author's research.

- iv) The privatization exercise in the state governments is not target based, whereas the central Government laid down the targeted amounts of money to be mobilized through disinvestment/ privatization.
- v) The central Government prefers to use the term “disinvestment” to ward off any ideological/political problems, whereas the state governments do not avoid revealing their preference for privatization. However, some states, such as West Bengal, Kerala, and Tripura, have rejected the use of both privatization and disinvestment.
- vi) The privatization of SLPEs, except for the State Electricity Boards (SEBs), turned out to be an easier exercise than privatization of the CPEs because of their size and greater appeal.
- vii) The privatization of both CPEs and SLPEs was confounded by problems of transparency and valuation.
- viii) Both the speed and the mechanisms for privatization posed governance challenges at the central and state levels in socio-politico-administrative issues.
- ix) Cultural factors were also responsible for the success or failure of privatization.

VI. Poverty and Privatization

Dagdeviren and Fine (2002a) have looked into the question: does privatization alleviate poverty? In this section, we present a matrix of interactions between poverty and privatization and relate it to some enterprises that have been privatized in the state of Orissa.

Orissa was one of the first states to initiate the process of disinvestment, even before the Government of India announced its policy of liberalization in 1991. The first unit divested was the Charge Chrome Plant of the Orissa Mining Corporation Alloys Ltd., which was sold to Tata Iron & Steel Company (TISCO). The plant, which had started commercial production in 1957, made a loss of Rs5.6 million or approximately US\$13,023 in 1988–89, and was having difficulty in meeting its working capital requirement and in obtaining packing credit. Therefore, the Board passed a resolution in 1989 to sell the unit. There were 543 regular employees who were all taken by TISCO. The sale price of Rs1.56 billion was much higher than the projected cost. TISCO increased the capacity utilization from 75% to 100% in the second year after acquisition and then gradually to 120%. Fear that the privatization would affect the interest of the employees has been proved wrong, as shown in Table 4.

Table 3. Matrix of Interactions between Privatization and Poverty

	Indicators of assessment	Type of change	Impact on poverty
Distribution of assets	Assets ownership	Nil	The poor gain if they benefit from redistribution of assets or access to assets and services.
Impact on Labor Market	Financial Performance	Improvement in Financial Performance	The poor gain if (+) growth and distributive impact enhance their welfare.
		Deterioration in Financial Performance	The poor gain if (+) growth and distributive impact stifle their welfare.
	Output	Increase in output	Positive if growth is pro-poor.
		Decline in Output	Negative if it leads to reduced consumption employment, etc. for the poor.
	Prices	Price Increase	(-) Potentially more so if the output is a basic commodity consumed by the poor.
		Price Decline	(+) Potentially more so if the output is a basic commodity consumed by the poor.
	Quality	Improvement	(+) Potentially without price increase, more so if the output is a basic commodity consumed by the poor.
		Deterioration	(-) Potentially more so if the output is a basic commodity consumed by the poor.
	Access	Improvement	(+) Only if the new users are among the poor.
		Deterioration	(-) If disconnected users are among the poor or are made poor.
Impact on Efficiency	Employment	Redundancy/ Retrenchment	Potentially (-). Depends on: who are made redundant, their skills and wealth, compensation package, etc.
		Increase in Employment	Only positive if the new employment opportunities benefit the poor and unemployed.
	Wages	Decline	Some households may fall below poverty line.
		Increase	Some households may be lifted above the poverty line.

+ = increase; - = decrease.
Source: Dagdeviren and Fine 2004b: 8.

Table 4. Comparative Analysis Before and After Privatization of OMC

Benefit	OMC Period	TISCO Period
Average monthly salary paid to employees	Rs2,600/-	Rs9,800/-
No. of houses provided to workers	158	190
Recreation facilities provided	Nominal facilities	New multichannel television connection, sports facilities, library with 2,000 new books.
Conveyance allowance	No conveyance allowance	Rs106,000 being paid as conveyance allowance per month
Leave Travel Concession (LTC)	Very nominal	Rs106,000 being paid as conveyance allowance per month
LTC	Very nominal	Rs7,500/- per employee in every block of 2 years.
Protective clothing	No protective clothing	160 technical staff provided with protective clothing

Source: Mishra, Kumari, and Kiranmai 2004a.

Another successful privatization has been the case of Gangapur Weavers Co-operative Spinning Mills at Sundergarh. The mill, which had sustained losses of over Rs160 million, was declared locked out in August 1991 and closed in June 1992. The mill was sold to Ashoka Synthetics Ltd. in 1993 at a bid price of Rs13.2 billion (against an original investment of Rs110 million). The performance of the mill has substantially improved, as shown in Table 5.

The only objection to Gangapur Mills's privatization has been the loss of jobs, as the total staff strength was reduced from 1,500 to 500. However, it was also felt that had the mill continued in its previous condition, the loss would have been far greater and all employees would probably have lost their jobs.

The next important case of disinvestment was in the power sector, which absorbed nearly 70% of the total public sector investment of the state. The Orissa SEB, which had become monolithic and unmanageable, was suffering from problems of adverse capital structure, uneconomic tariffs, high transmission and distribution losses, a weak billing and collection system, overstaffing, and mismatch of manpower and skills. Continuous losses were

Table 5. Performance of Gangapur Weavers Co-operative Spinning Mills

	Prior to Privatization	After Privatization
Maximum capacity utilization	65%	90%
Payment of salaries, etc.	Had been totally stopped	Regular payments are being made
Profit	Making losses	Earning 12% return on investment
Revenue for Government of Orissa	Nil	Rs150 million per year
Exports	Nil	Foreign exchange earned through exports

Source: Mishra, Kumari, and Karanmai 2004a.

eroding the capital of the SEB and it was not in a position to pay its creditors and suppliers. It was unable to invest in modernization, which was an urgent requirement. To respond to this problem, the Orissa Electricity Reforms Act was passed in January 1996 and came into effect on 1 April 1996. The reforms involved restructuring the sector through the unbundling of power generation, transmission, and distribution. It also included privatization of generation and distribution, competitive bidding for new generation, a transparent and independent regulating agency, and tariff reforms at both the bulk power level and the retail level. The state government has been the pioneer in privatization of the power sector. As part of the process, 49% of Orissa Power Generation Corporation (OPGC) was sold to a strategic investor, AES Corporation of the US, in 1997 for Rs6 billion (fetching a premium of 155% over the book value of equity). Likewise, 51% of equity shares of the four distribution companies were sold to private companies in 1999–2000 for Rs1.6 billion against a book value of Rs1.1 billion. The reform was supported by a World Bank loan of US\$350 million and a DFID grant of UK£65 million.

The salient benefits of disinvestment/restructuring have included the following:

- i) The Talachar Power Systems, after being taken over by National Thermal Power Corporation (NTPC), is now operating at a plant load factor (PLF) of 75%, whereas it had never previously operated beyond 30%.

- ii) OPGC is consistently maintaining a PLF of a high 70–80%, a performance level comparable to NTPC.
- iii) Disinvestment of 51% of the state government's share in distribution and 49% in OPGC has unlocked substantial funds, and helped the government reduce its fiscal deficit by 2%.
- iv) The quality of the power supply is improving and fewer interruptions occur.
- v) Losses have been stopped and generating companies are distributing dividends.
- vi) The system loss has been reduced from over 50% to 43%.
- vii) Losses in distribution are now shared with private investors.

VII. Issues in Privatization

The privatization experiences of the central and state governments point out very clearly that effective governance could go a long way in speeding up the implementation of the privatization programs, which could yield considerable revenues for poverty alleviation programs. Mishra, Davies, and Bhat (2004) summarize below some important issues in privatization based on the privatization experience:

- i) It is easier to privatize smaller enterprises.
- ii) The manufacturing enterprises possess a greater appeal for privatization.
- iii) Effective due diligence expedites privatization.
- iv) The SLPEs organized under the Companies Act could be taken to market with greater ease and comfort than those organized as public corporations.
- v) Valuation should be considered an important element of the privatization process. The entire valuation exercise should be made transparent.
- vi) In the case of loss-making enterprises with multiple subsidiaries and product groups/strategic business units, restructuring should precede privatization.
- vii) It is always helpful to establish a dialogue with the employees before any action is initiated to privatize an enterprise.
- viii) Sole reliance should not be placed on any particular method of privatization. Depending on the nature of the SLPE and market conditions, a combination of methods of divesting the SLPEs should be employed to achieve the objectives of privatization.

VIII. Conclusion

Mishra and Kumari (2004) in their study on privatization of the SLPEs have observed that the central Government as well as most of the states explicitly or implicitly realize the need for privatization of the SLPEs to mobilize finances for poverty alleviation programs, implement the philosophy of rolling back the state, and diminish poverty levels through creation of larger number of jobs in the privatized public enterprise. However, whereas states such as Andhra Pradesh, Karnataka, Punjab, and Orissa show a clear preference for privatization, states like West Bengal, Tripura, and Kerala indicated their disenchantment with the term “privatization” and opted for restructuring. The privatization patterns of the central and state governments differ in many areas, especially in relation to the method of sale. The central Government prefers partial disinvestment and strategic sale, while the state governments preferred to adopt the trade sale modality.

The privatization experiences of the state governments point to a number of lessons to be learned for the future. Instead of depending on a specific modality, it would be beneficial to depend on a mix of methods. The smaller enterprises, specially those in manufacturing, should be preferred for privatization. Both the privatization process and privatization mechanism should be simplified. Governance dimensions, such as transparency and accountability, should have a trade-off against the efficiency and the speed dimensions. The matrix of interactions between poverty and privatization of enterprises very clearly shows healthy outcomes, dispelling the existing belief that privatization results in job losses.

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Impact Assessment of Poverty Alleviation Programs in India: Some Administrative and Institutional Issues

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I. Introduction

Poverty means the inability of an individual to secure a normative minimum level of living. In the narrow sense, it represents the basic material condition of households or individuals in low production, consumption, and income. While economic development is central to success in poverty reduction, it is important to recognize that poverty is the outcome of economic, social, and political processes that interact with and reinforce one another. Recognition of this multidimensional view of poverty creates complexities in poverty reduction strategies, because social and cultural factors have to be taken into account (Srinivas and Basu 2002).

Poverty alleviation remains one of the most elusive goals confronting development specialists and policy makers at the outset of the new century. The sheer numbers of people who become poor each year, combined with the depth of their deprivation, adds urgency to the search for more effective solutions to poverty (Estes 1999).

II. Poverty in India

The *World Development Report 2005* says that during the period 1999–2000, 34.7% of the population of India was living in extreme poverty (World Bank 2004). “Extreme poverty” is measured in terms of lack of money or income to meet the basic needs of life. The question of quality of living does not arise. The latest statistics gathered through the National Sample Survey indicate that 27.1% of all Indians live below the poverty line. Whatever the exact figure, the fact remains that a large portion of our population is smarting under poverty (Dutta 2002).

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The poor are a heterogeneous group: they are deprived not only in material terms, but also suffer from low human development and live in an uncertain and sometimes threatening environment. Lower-caste individuals and women in particular face difficulties. Poverty is caused by low levels of assets (private goods, public goods and services, and social capital) coupled with low and uncertain returns. In addition to low incomes and inadequate consumption, poverty encompasses low human capabilities, including inadequate skills, lack of education, poor health, and malnutrition. In any country, a variety of economic and noneconomic factors must be taken into consideration to obtain an accurate and comprehensive picture of poverty. India, with its rich mosaic of cultural practices and wide variety of social settings and natural environments, presents a special challenge to those wishing to measure and monitor poverty. Poverty is also associated with forms of deprivation situated in specific local contexts, such as insecurity and violence, vulnerability, and social and political exclusion, as well as lack of dignity and basic rights.

The state faces three major challenges in redressing poverty: first, to expand economic opportunities; second, to ensure that the poor are empowered to take advantage of new opportunities in a rapidly changing world; and third, to ensure that an effective safety net is in place to reduce vulnerability and protect the very poor and destitute (Kozel and Parker 2003).

III. Poverty Alleviation Strategies

The transition of the poverty alleviation strategy from one of promoting the overall growth of the economy (and subsequently the growth of the sectors and regions where the poor are concentrated) to that of directly targeting the poor for growth is an interesting innovation of the Indian planning process. The target group approach to poverty alleviation, which originated in the 1970s, sought to provide income and employment-generating opportunities directly to poor households to enable them to cross the poverty line. With such a change in strategy, though remarkable achievements have been reported, the delivery systems evolved by the bureaucracy have not always conformed to the principles of efficiency and cost-effectiveness. It is in this context that decentralized governance and planning were seen as a new institutional strategy for managing poverty alleviation programs in an efficient and cost-effective manner (Aziz, Meenakshisundaram, and Gayathri Devi 2000).

IV. The Study

It is a general perception that the benefits of various poverty alleviation programs are *not* reaching the rural poor in full measure. Against this background, a microstudy was carried out to assess the overall impact of antipoverty measures in bringing the rural poor above the poverty line, by creating supplementary income, providing employment opportunities, creating socioeconomic infrastructure in the villages, and thereby contributing to the development of the village economy. The study also examined the issues of transparency, accountability, and effectiveness of the process of administration and implementation, flow of funds, the involvement and participation of the rural poor through village-level democratic institutions (the *panchayat* and *gram sabha*) and the impact of various measures/programs on income, productivity, capacity building, asset creation, and the quality of life of the rural poor.

V. Findings—Issues and Recommendations

The study revealed that, although the poverty alleviation programs under study have been targeted at weaker groups like members of the Scheduled Castes and Scheduled Tribes and at women; although some assets have been created and some employment and income generated; although a few beneficiaries have consequently crossed the poverty line and have experienced some upward occupational mobility, the overall impacts of antipoverty programs on the rural poor have been less than desirable. Only 31.6% (as against 100%) of the targeted beneficiaries could cross the poverty line within the specified period. This could be attributed to factors such as apathy and domination by the bureaucracy; lack of accountability and transparency in administration; delays in the release of funds at the district and lower levels; lack of flexibility and autonomy of key functionaries, especially at the lower levels; misidentification and wrong selection of real beneficiaries; lack of active involvement and effective participation by the rural poor, particularly women, due to lack of awareness and lack of resources; weak and ineffective village-level institutions; village-level politics; lack of access to information about various programs; lack of participation by the nongovernment organizations (NGOs); and lack of proper coordination among various implementing agencies.

Inordinate delays in the release of funds from the central Government as well as from the states have been the main cause for underutilization of allocated funds (20–30%) and an anxiety to achieve the physical targets

(more than 90%) in the last quarter of the year is the main reason for poor quality performance.

Monitoring of programs is not done properly and regularly on a standard format, so timely corrective measures and follow-up are not done. Lack of a formal mechanism to receive feedback and the grievances of the beneficiaries also affects program implementation. The implementing officers should visit the field regularly to ensure that the programs are implemented properly. Periodic evaluation of the programs by an independent agency should be conducted and remedial action should be taken to improve performance.

It was observed that reliable data on physical and financial coverage for various schemes were not systematically organized and maintained at the village, block, and district levels. Proper recording systems should be installed at all levels.

The organizational structure of the District Rural Development Agency (DRDA) should be revamped and strengthened with the induction of professionals and experts and motivated and knowledgeable functionaries. The staff should be given sufficient exposure and sensitization to the complexities of poverty eradication, human resource development, and gender and related issues. DRDA should not be satisfied with achievement of physical targets only but should also ensure the quality of programs and realization of intended benefits for the targeted poor beneficiaries.

Though antipoverty programs have enhanced the employment level (as well as self-employment) and consequently have increased the income level of a small number of beneficiary households as they have shifted from below the poverty line to above it, they have by and large failed in enabling a large number of poor households to cross the poverty line. Thus, these programs have had a limited impact on poverty reduction.

It must be recognized that income growth by itself is not enough to improve the quality of life of the poor. Unless they have access to certain basic minimum services such as schooling; basic health care; safe drinking water; and nutritional security, shelter, and connectivity, their living condition cannot be improved. *Swarajayanti Gram Swaraj Yojana* (SGSY) has been successful in providing incremental income to poor families, but in most cases the incremental income has not been adequate to enable the beneficiaries to cross the poverty line on a sustained basis, mainly because the investment per family is too low. Even the assets (e.g., animals for husbandry) provided under SGSY (individual) were neither permanent nor productive, as they have either been sold or have ceased to generate income.

It is necessary to encourage investment into high value-addition sectors and nontraditional activities that have a market potential. Financial

institutions should play a more significant, proactive, and dynamic role by enhancing the credit flows through a continuous line of credit. A package approach should be employed, where the beneficiary would have access to training as required, upgrades of technology, delivery of essential inputs, and marketing and other infrastructure and services and employment opportunities in an integral and holistic manner.

Subsidies should be phased out. SGSY should be conceived as a microfinance program to be run by banks and other financial institutions with no subsidy. The focus should be on capacity building, credit mobilization, and infrastructure development.

Development programs are expected to promote occupational mobility among households, from less productive to more productive occupations. It was found that poor households were traditionally engaged in low-productivity occupations like wage labor and agricultural and allied activities. To the extent possible, the endeavor should be to move them to more productive nonagricultural activities like trade, business, and industry, where returns are higher and job opportunities are more sustainable. Keeping in view the district potential, rural industries should be promoted, by encouraging new and strengthening existing small- and medium-scale industries, building capabilities, and training rural youth to become rural industrialists.

The gram sabha (GS), the village assembly consisting of all eligible voters, is statutorily recognized as a vital institution of participatory democracy to ensure people's participation, (especially women, the poor, and other marginalized sections of the village community) in the process of rural development. Thus, while GS consists of *people themselves*, the gram panchayat (GP, the third tier of the Panchayati Raj Institutions [PRIs] of local self-government) consists of *elected representatives*.

The GS is required to meet at least twice in a year to discuss and approve the village level microplans based on local needs and priorities and to identify and approve the list of appropriate beneficiaries. It is empowered to monitor and audit the progress /performance of the GP in the execution of microplans and to ensure their transparency and accountability to the people. The GS is thus expected to play the role of a planner, a decision maker, and an auditor. However, the sheer size of the GS, the general lack of interest on the part of the rural poor except when some perceptible gain is in sight, the emasculated condition of the village panchayat, the paucity of resources, the high opportunity costs of attending the GS for poor villagers, and the lack of specific roles for the ordinary members of the panchayat in GS stand in the way of development of GS as a truly democratic institution. The GS, by and large, is unable to perform its statutory functions relating to granting approvals to village-level development plans and selecting appropriate beneficiaries. It can

become effective if it is empowered through capacity building, political education of the masses, larger participation in development programs, more effective control over panchayat leadership, better responsiveness of the administration, better mobilization of resources, and better care of community/village assets. Thus, GS needs to be strengthened by handing over *real* power.

The GPs are still dominated by the bureaucracy. Bureaucrats need to change their mindset. The middle-level bureaucrats are afraid and lack the will to transfer powers to poor and illiterate villagers. It is also important to strengthen the internal resource mobilization capabilities of PRIs for functional autonomy. They should also be given control over the natural resources such as land, water, minor forest produce, and minerals. All village-level users' groups formed under different development programs such as watershed committees, water users' groups, forest protection committees, and self-help groups, should be linked to the panchayat and brought under its control.

Apart from a package of devolved powers, the PRIs need qualified trained technical staff to help them with day-to-day transactions at various levels and to advise the GP on the formulation of action plans and their technical feasibility. The technical staff posted at block level could be assigned to work in the GP for this purpose. Orientation/training and occasional guidance should be provided to GS/village panchayats with respect to their day-to-day conduct of financial and administrative matters.

The majority of the rural poor are ignorant about various government-sponsored poverty alleviation programs. This is a serious problem, especially when the majority of programs are demand-driven and users are illiterate and marginalized. Poor awareness accounts for the lack of interest and lack of involvement and participation on the part of potential beneficiaries. Consequently, the block officials, elected representatives of panchayats, and other influential persons in the village can manipulate the process of identification and selection of beneficiaries.

Personnel at the block level were found to be ill-informed, insensitive, and inefficient. Moreover, a number of posts were lying vacant. This hampers efficient implementation and proper monitoring of the programs. It is suggested that all field-level vacancies should be filled at the earliest possible time and the personnel, especially those at the block and village level, should be motivated and sensitized and their managerial skills upgraded through suitable training and field exposure. In order to improve delivery systems, in terms of both time and quality, effective cooperation, trust, and coordination among various agencies should be ensured at district and block levels. More effective liaison and interface between the state government, DRDA, PRIs, NGOs, and the rural communities is required at the local level. Each block officer is a mesostructure that links macrostructure such as state and central government

with microstructures such as PRIs. The block development officer needs to possess certain critical skills such as those in development, planning, training, and rural engineering, apart from administrative skills. In addition, such officers need to be sensitive and proactive in their approach. Staff at the village level should be better informed about various programs and properly trained and made sensitive to local issues. Efforts should be made to bring all of the country's DRDAs into an online network for a smooth flow of information between districts and from districts to the state to the central Government. Sensitization and training of DRDA and field-level functionaries as well as bank officials should be organized regularly.

Decentralization, which attempts to ensure local people's participation in planning and governance, is generally considered an efficient instrument for conveying benefits to the poor at least cost. Accountability and transparency, the cornerstones of decentralized governance, are expected to ensure minimization of beneficiary misidentification, better enforcement of asset acquisition, its retention and maintenance, loan repayment, capital plowback, etc. Besides, since local wisdom and local resources are readily available under decentralized governance, local human, animal, and physical resources can be effectively utilized, resulting in the creation of employment opportunities and the production of goods and services that help meet the needs of the poorer sections of society (Aziz, Meenakshisundaram, and Gayathri Devi 2000).

Village development projects are expected to be executed by officials under the supervision of people and their representatives. But owing to the inadequacy of qualified officials, such works were informally assigned to contractors. Many a time, the panchayat members themselves worked as contractors. The collusion between official members and panchayat members often resulted in leakage of funds and low-quality work. Hence, it is recommended that better conduct of GS is a must for identification of works and beneficiaries and for ensuring transparency and accountability. The panchayats should have better control over funds. This can be ensured through timely release of funds by the higher-level governments and reduction in the proportion of tied grants, so that the panchayat bodies have enough time to plan and implement poverty alleviation programs and freedom to take up works in response to local imperatives. The practice of giving special grants to members of Parliament and legislatures for local area development should be stopped. Instead, such funds should be allotted to the panchayats, which are in fact designated as governments responsible for local development. The latter, in turn, should use such funds for strengthening local development and poverty alleviation schemes

Official claims of the number of beneficiaries, works carried out, additions to productive assets, and employment generated are unreliable and exaggerated.

Poor targeting is reflected in the high proportion of nonpoor and other noneligible persons among the beneficiaries. Leakages due to inappropriate works, inefficient implementation, and corruption are high. Quality of assets provided/created under these programs is poor and their impact on the income level of beneficiaries dubious. Assets and schemes are frequently not appropriate to the needs and potentials of particular regions or groups. Little consultation takes place with local communities generally, and target groups in particular, in deciding and implementing schemes. The efficacy of poverty alleviation programs can be improved by better targeting, reducing waste and corruption, making the programs more meaningful and relevant to local needs and priorities, and creating institutional conditions for greater accountability. The focus should be on rationalizing the approach, organization, and priorities of the poverty alleviation programs.

Nongovernment and voluntary organizations have a particularly important role in obtaining and disseminating information on the workings of government (including local government), making people aware of their entitlements and obligations, and enabling them to vent their grievances and seek redress. Besides interceding with the concerned authorities to secure benefits for the eligible and minimize leakages, they have a role in motivating and organizing local communities to take an active interest in the working of specific programs and persuading bureaucracy to work with the community to improve their effectiveness. Over time they can help promote a process of more broadly based changes in institutional mechanisms for funding/managing local development activities to meet specific local conditions. Actively encouraging NGOs and giving them ample public space is, therefore, highly desirable for healthy evolution of local government.

VI. Conclusion

All this implies a basic change in the relations between state and local governments, the role of the bureaucracy, and the attitudes of local governments. No standard blueprints are available for accomplishing the change. A great deal of experiment and learning from experience is inevitable. The upsetting of existing power balances between the various groups involved creates an opportunity for engineering desirable changes through a combination of sustained pressures on the system as a whole via the general political process along with grassroots efforts to initiate and sustain a discussion of the problem of restructuring among the concerned groups—the local- and state-level politicians, the bureaucracy, and the NGOs.

Officially, the poverty line is dipping, but in the village, poverty remains more acute than ever. The poverty line came down from 55% in 1973–74 to 36% in 1993–94 and 26% in 1999–2000. However, the number of poor people remained stable: around 320 million over a long period (1973–93) and now stands at 260 million. The *Food Insecurity Atlas of Rural India*, published by the M. S. Swaminathan Foundation, says that 13 states are environmentally unsustainable, while five states are sustainable based on key natural resources like forest, land, and water. The environmentally unsustainable states like Madhya Pradesh and Bihar are not only the poorest but are also resource rich (MSSRF and UNDP 2003).

A typical Indian village economy is built around gross nature product. The entire ecology shares an intricate relationship between private and common resources. For example, private agricultural lands get manure from common grazing lands, which are a part of a government-owned pool of resources called the common property resources (CPRs). People depend on CPRs for survival. But these crucial commons are being rapidly depleted as the focus of poverty alleviation remains on private assets.

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Options for Fiscal Policies Aimed at Sustaining Education, Health Care, and Social Protection Systems in the Kyrgyz Republic

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I. Introduction

The Kyrgyz Republic (Kyrgyzstan) inherited from the Soviet Union a well developed and expensive system of education, health care, and social protection. At the end of the Soviet period, the Republic had achieved a level of social development much higher than one could expect judging on the basis of economic indicators only. For example, by gross domestic product (GDP) per capita (PPP, constant price) in 1990 Kyrgyzstan was ranked only 104 among 161 countries for which a consistent set of data is available (World Bank 2004), while it was ranked 78 by life expectancy at birth. The level of adult literacy and secondary school enrollment rate were (and are) very close to 100%. Indicators of physical infrastructure development of educational and health care establishments were comparable to those of high-income countries² (though the quality of services did not always match the quantitative indicators). Access to basic public services was almost disconnected from the income level of the population.

This level of human development had become possible due to large transfers from the Soviet Union central government budget to the republican government budget. By conservative estimates, in 1990 these transfers exceeded 10% of GDP (World Bank 1993). The situation changed dramatically, however, after the break-up of the Soviet Union and the sharp economic decline and drying up of the subsidies from the central government of the USSR that accompanied the break-up. GDP per capita at market exchange rates fell to the level of the world's poorest countries, and even adjusted to PPP it is now one-third less than it was in 1990. Due to systemic change, the budget revenue-generating capacity of the Government was reduced as well; this is reflected in the fact that the level of public expenditures decreased from 37% of GDP in 1990 to 25% of

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² According to World Bank data on Kyrgyzstan in 1990, the numbers of beds and physicians per 1,000 people were 12.0 and 3.4, compared with high-income OECD countries' indicators of 8.0 and 2.4 respectively.

GDP in 2003. Obviously this very considerable resource contraction did not allow for maintaining the previously achieved level of social service provision. The country had to find new ways to sustain its social sector in new conditions. This paper looks at public financing trends after independence and the strategies used by the Kyrgyz Government to mobilize resources and match them with the sector requirements, and proposes some options for future fiscal policies related to the social sector development.

II. Trends in Public Financing of Education, Health Care, and Social Protection

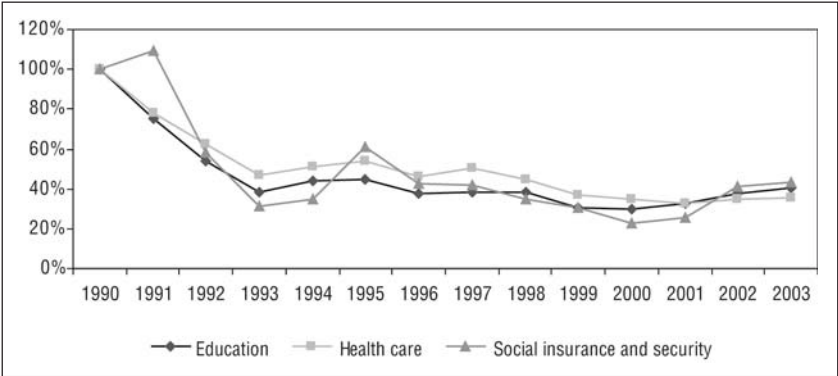
The general trend of change in public expenditures on the social sector is presented in Figure 1. It shows that expenditures per capita in 2003 were only +/- 40% of the 1990 level for each of three sectors. This reduction in public funding can be explained by two main factors:

- economic decline in the first part of the 1990s: in 1995 GDP per capita was just 51% of 1990 levels; even in 2003, after 8 years of economic growth, GDP per capita reached only 67% of its 1990 value; and
- reduction in the capacity of the Government to generate revenues through taxes, due to privatization, the decrease in number of large enterprises and the prevalence of small and medium-sized enterprises (SMEs) and semisubsistence farms, the majority of which operate in the informal economy: the share of taxes in GDP fell from 25.7% in 1990 to 12.2% in 1999 and grew only to 14.3% in 2003.

Significantly, the decline in funding of the social sector is not associated with a reduction of the share of these sectors in total budget expenditures (see Figure 2). In fact, the share even increased in 2003 in comparison to 1990; it was especially high (more than 50% of total budget expenditure) in 1994–1997, when the country experienced its most severe economic difficulties. Some relative decline in public social spending had taken place in 1999–2001, when the Government faced large problems caused by the 1998–1999 financial crisis and had to adjust its spending pattern to the new budget constraints. Since recovery from the crisis, budgeted social spending has been increasing in absolute figures and in its budget share.

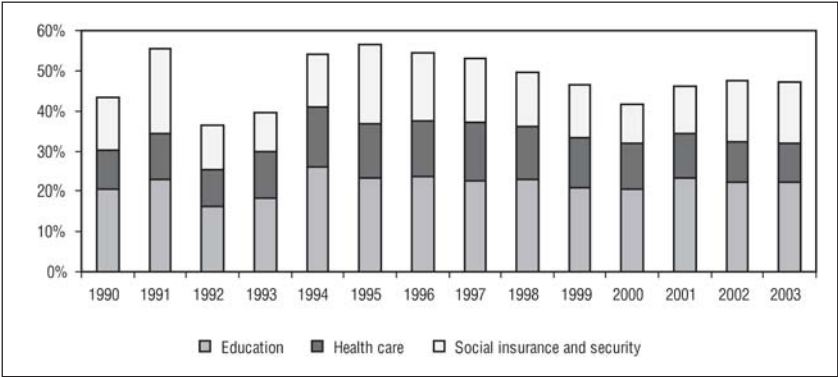
In general, trends in public financing are rather uniform across different sectors; however, in the last years, funding for education and social insurance and security has been growing faster than for health care.

Figure 1. Index of Per Capita Expenditures on Education, Health Care, and Social Insurance and Security
(constant prices, 1990 = 100%)



Source: National Statistical Committee of the Kyrgyz Republic, various years.

Figure 2. Share of Social Sector in Total Budget Expenditures



Source: National Statistical Committee of the Kyrgyz Republic, various years.

III. Ongoing Reforms in the Social Sector

Addressing the problem of funding shortages, the Government has employed a set of policies attempting to sustain the social sector. One of these policies was the above-mentioned maintenance and even increase of the social sector share in total budget expenditures. The Government borrowed extensively from the World Bank, the Asian Development Bank, and many other aid provider organizations for social purposes. This borrowing helped to keep the social system from what probably would have been full collapse; however,

external borrowing (even on very privileged terms) in conditions of macroeconomic instability was not a sustainable way to finance current expenditures on the social sector. After the 1998–1999 crisis, the national currency was devalued 2.5 times and the previously manageable external public debt became unsustainable. So, further borrowing for financing of social expenditures (apart from investments) is now impossible.

Another way to increase resources for the social sector was to increase domestic revenues. In 2002–2003, the Government somewhat increased tax collections, but its current level is still far below the pre-independence figures and it is obvious now that no radical increase is possible.

Thus, the actions to increase public resources for the social sector allowed the Government not to compensate for, but just to mitigate the resource losses, so it appeared impossible to prevent a deterioration in the quality of services and curtailment of access of poor people to the services.

In these conditions the only way to go was to adjust government spending on the social sector to make the expenditures more efficient and better targeted. The Government has undertaken a program of reforms in the social sector, especially in health care and social protection, aimed at adjusting the fiscal burden of the social expenditures while preserving the broad access of the population to essential educational, health care, and other services.

The health care sector has been reformed most thoroughly, with support from the World Bank. Major components of these reforms:

- transition from input-based (number of hospital beds, doctors, etc.) to output-based (number of patients served) financing schemes;
- clear division of all medical services into two groups: i) those guaranteed and financed by the Government and ii) additional services, which have to be paid for by the patients themselves;
- formal introduction of mandatory medical insurance: formal, because in practice insured people still face a need to mobilize significant resources in case of serious illness, while, of course, those without insurance have to spend even more;
- introduction of patient copayments for services to prevent overuse of medical services, which was typical in pre-independence times; the role of copayments as an additional source of sector funding is still very limited (2% of total public health expenditures in 2003);
- centralization and increase in transparency of fiscal flows through the so-called “single payer” system: the major part of budget money is now channeled through the structures of the fund for mandatory medical insurance; and

- reduction and concentration of medical infrastructure: this has permitted the achievement of some savings, but unavoidably resulted in some deterioration of access to health services in remote parts of the country.

In the area of social protection, a major reform relates to the unification of many benefits allocated to different categories of the population into the Unified Monthly Benefit (UMB). The UMB, intended only for poor families with children, consumes the greater part of all budget money allocated for social protection. It has proved to be much better targeted than the previous system, but still allows for considerable inclusion and exclusion errors in the program. Further measures to increase targeting of social benefits are under discussion.

In education, the Government went from underwriting universal full secondary education, which was compulsory in Soviet times, to universal basic secondary education. Another measure creating a potential for an increase in budget spending efficiency is the introduction of an independent testing system for secondary school graduates.

These measures helped somewhat to streamline public social expenditures and decelerate further decline in the quality of services. Nevertheless, the desired radical reversal of the trend has not yet been achieved, and many problems still persist in social service financing and delivery. These problems include, among others, an inappropriate structure of public social expenditures (too high a share of salaries³ and municipal services and too low a share of essential inputs—textbooks, medicines, etc.), insufficient targeting of the expenditures to those who need them most and the poor, and a complicated and nontransparent intergovernmental transfer system.

IV. Private Provision of Social Services

One important issue, which has not been sufficiently addressed so far, is the increasing role of the private sector in social service delivery and financing. By different estimates, private expenditures on education and health care constitute 30–70% of public expenditures for these purposes. Still, private provision of these services is seen as something of secondary importance and has not been properly regulated.

³ While their absolute value is still too low.

There exist two main ways to use private funding in health care and education. According to the law, it is possible to open private educational and medical establishments, which serve clients for their own money without any subsidy from the government budget. These establishments can be found in every segment of these sectors; but the private sector is especially active in the provision of noncompulsory services (pre-school and tertiary education, dental care, etc.). People can voluntarily decide whether or not to use the services of the private clinics, schools, and universities; coupled with the competitive environment in these sectors, it makes quality of services in private establishments reasonable (for the most part)⁴ and controllable by clients. Usually these services are affordable only for high- and middle-income population groups. So, at least for these social groups, private establishments represent a viable solution for the problem of provision of quality education and health services. Budget expenditures on the nonpoor could then be reoriented to serve the needs of those who cannot afford to pay purely private providers.

Another channel of private funding is unofficial payments to teachers and doctors at the public schools and hospitals. These payments are officially prohibited, but are widespread in practice and recognized by the majority of the population as a kind of compensation to teachers and doctors for their too-small official salaries. However, because of their informal nature, it is impossible to establish sufficiently good linkages between the size of these payments and the quality of services. So people are often forced to pay large amounts of money for low-quality services and have almost no mechanisms to require proper treatment. Apart from that, these unofficial payments are explicitly antipoor, as the poor have to pay the same money as the nonpoor. These unofficial payments are especially common in the health care sector; they were an important reason for the Government to start pretty comprehensive reforms in the sector,⁵ major elements of which are described above. While there is evidence that reforms in the health sector and, in particular, the introduction of patient copayments somewhat contributed to the reduction in size of the unofficial payments, progress is limited so far and the unofficial payments still persist and are much larger than official payments. Summing up, in public establishments private money cofinances service provision, but has very limited influence on the quality of services and therefore is used inefficiently.

⁴ But not always; with the very short history of private provision of social services, reputation mechanisms do not yet work properly.

⁵ Some limited efforts were made to regulate the use of parents' money in schools.

V. Recommended Fiscal Policies

It is important to recognize that the current economic structure and fiscal situation (prevalence of the SME sector, large government debt, and limited capacity to increase government revenues) does not allow for hopes of a return (even in the long run) to public social expenditures at the pre-independence level. So, the only way to sustain previous essential achievements in the social sector is to dramatically improve the efficiency of use of the scarce public resources, and to admit the primary role of private funding and private provision of the social services in order to establish proper quality and preserve access to them by the poor.

Some possible fiscal solutions that will lead toward these goals:

- withdrawal of public funding from nonpriority sectors, where the private sector has proved quite operational (e.g., most of tertiary education);
- provision of sufficient flexibility of line ministries in expenditure management and predictable budget allocations to reform sectors in order to create incentives for expenditure optimization and savings: this will help in preventing situations similar to that in the health care sector in 2002, when sector savings resulting from the reforms were redistributed to other budget expenditure items;
- radical simplification and increase in transparency of intergovernmental transfers: the formula for categorical and equalizing grants from the republican budget to local budgets needs to be made much more transparent and related to the poverty level and the quality of services in the region;
- introduction of result- rather than input-based financing schemes and extensive use of independent mechanisms of result monitoring;
- full legalization of private payments for education and health care services and creation of incentives to increase transparency of social service provision (e.g., deduction of household expenditures on education and health care from the income tax base); and
- increasing the role of local authorities in social protection to improve the targeting and effectiveness of the government assistance.

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Public Service Delivery Mechanisms and Rural Poverty in Nepal

Parashar Koirala¹

I. Introduction

Nepal stands at the bottom rung among even the least developed countries as one of the poorest in the world. At present, about half of its population lives below the poverty line, with basic needs for food, clothing, and shelter unfulfilled. Economic opportunities are not available to them because of the low quality of their skills and their substandard education. According to human development indexes, the position of Nepal is lower than that of all its South Asian neighbors except Bangladesh. In addition, the quality of higher education is not satisfactory compared with that of better educational institutions elsewhere in South Asia.

Concern over the poverty of the people has always been a priority in the development plans of the country. Its seriousness increased since the Ninth Plan (1997–2000), which adopted poverty alleviation as its sole objective. Based on this objective, long-term and short-term goals were identified in different sectors with required target levels; accordingly, plans and programs were developed. Poverty was classified in terms of “human poverty” (literacy, infant mortality, maternal mortality, and average life expectancy at birth) and “income poverty.” Poverty alleviation through development was a theme of the development plan, guided by the principle of sustained and broad-based growth. Detailed plans for the development of infrastructure, industry, and agriculture, and the development of rural infrastructure and social priority sectors were prepared and implemented. Moreover, specific programs targeting the poor were developed and involved nongovernment organizations (NGOs) and international NGOs (INGOS) in the implementation process along with government and local institutions.

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II. Implementation Mechanism

For the reduction of poverty at the grassroots level, simply improving planning and policy frameworks is not enough. Strong attention must also be given to the implementation aspect. Making good plans and developing policies is one aspect of the development effort that remains incomplete unless such plans and policies are properly implemented. In the least developed countries like Nepal, plans and policies are developed either through the technical assistance of aid provider agencies or are the product of local talent. As a result, the planning part of the development effort remains generally good, as opposed to implementation. Sound implementation is possible only by strengthening and building the capacity of the institutions involved and by laying down formal processes and systems. Hence, proper attention is needed to the service delivery mechanism, generally an area of low priority. Until attention is paid to service delivery mechanisms, substantive changes at the grassroots level that would be felt by the people may not be brought about. Introduction of new operating systems requires a change in work culture and operating climate, which is a most difficult job in Nepal. Having a centralized authority means controlling the work rather than encouraging and making adjustments for smooth operation. While infrastructure mechanisms have been developed down to the grassroots level for the delivery of public goods, various obstacles, such as delaying delivery, on the one hand, and duplicating work, on the other, impede the Nepalese delivery system. Thus, this article tries to analyze the existing service delivery mechanisms and impact thereof in development activities.

III. Services at the Lowest Level

Nepal is divided, administratively, into 75 districts, 3,915 Village Development Committees (VDCs), and 58 municipalities. VDCs and Municipalities are the lower administrative units within a district. Each VDC comprises nine wards and municipalities can comprise 9 to 35 depending upon the size of population. At present, the headquarters of 66 of the 75 districts are connected by road. Telephone facilities are available in 74 districts, though the number of telephone lines per thousand people is very small in most districts. Because of the availability of rivers for potential hydroelectricity generation, electricity generation from small hydropower and its distribution is developed in some districts. In the rural areas where no electric facilities are available, radio is the only medium for receiving information. The Government has used this medium for all types of information dissemination. For the

development of education, there are 24,943 primary schools, 7,340 lower secondary schools, and 4,113 secondary schools located throughout the country. Literacy programs generally feature as entry points of NGOs and INGOs before launching their development programs.

NGO culture was introduced in Nepal in 1958 with the establishment of the Family Planning Association of Nepal, though earlier references are also available. However, its real growth took place after the emergence of the multiparty democratic system in 1990. The number of NGOs registered with the Ministry of Social Welfare at present comes to about 15,000. Nepalese rural work culture is fully dependent on the mutual cooperation of households, but they don't have any institution to tie them together; their common interest rests on agricultural production and selling of agricultural produce, which bring them together. Various activities like the construction of a path or trail in the village, construction of a well for drinking water, and other village welfare activities also bind the villagers together.

IV. Institutional Arrangement

The VDCs and Municipalities work at the lowest level of government administration. Educational institutions, like the primary and lower secondary schools, which are available in most VDCs, work as opinion leaders. The level of knowledge in the VDCs has increased because of the impact of the educational programs. NGOs are popular among educated people in villages and municipalities, but these may not have become institutions representing the common interest of villagers. Under Nepal's multiparty democratic system, a village working committee of each party is provided for at the village level. The Nepalese Congress Party and the United Marxist and Leninist Party are the two major parties, with Working Committees in each VDC. Increasing the number of party members and active party members in the villages is the function of these committees.

V. Operational Mechanism

The government mechanisms handling development activities have not been able to improve their efficiency in service delivery. The Ministry of Physical Planning and Works is responsible for constructing highways, feeder roads, and other roads in municipalities and towns. Delays are a common feature in most project works; low productivity of labor, high per-unit costs, and substandard performance are some of the characteristics of development

activities. However, to strengthen the local self-governance system, the responsibility to construct roads in municipalities and towns shifted to the Ministry of Local Development in 2004. The Electricity Authority, responsible for power generation and distribution, and the Department of Irrigation, responsible for irrigation facilities under the Ministry of Water Resources, conduct their functions through their network extended to different regions and districts. Financial assistance for small irrigation facilities comes under the purview of the Ministry of Local Development. The Telephone Corporation, a public enterprise under the Ministry of Information and Communication, has its own network for telephone distribution in municipalities and towns. In rural areas, distribution is left to the private sector. The Ministry of Education and Sports is the authority for higher education and schools. In addition, the Ministry of Education is involved in adult education programs to increase the literacy rate. Other organizations involved in increasing literacy rates are NGOs, INGOs, and community-based organizations (CBOs). In each socioeconomic project they run in rural areas, literacy development remains a major component. Possession of a radio is an individual interest. It is a popular medium of communication in the rural area. A farmers' development program run by the Ministry of Agriculture has been disseminated by radio.

At the lowest operational level, VDCs in rural areas and Municipalities in urban areas act on behalf of the government. Local self-governance is the policy. Under this system, maximum participation of the local people brings about social equality in mobilizing and allocating resources for the all-around development of their respective regions. The District Development Committee (DDC) operates at the district level. The Ministry of Local Development acts as a coordinator of the local-level development activities, and when necessary, provides technical and financial support to them.

VI. Functions of Local Institutions

The objective of self-governance is to make VDCs and DDCs effective in performing their duties. Accordingly, the nature of their jobs was spelled out in detail, identifying different areas of concern, and the respective authority and responsibility for these jobs were delegated to them. The scope of the VDC includes functions relating to agriculture; rural drinking water; works and transport; education and sports; irrigation, soil erosion, and river control; infrastructure development and housing; health care services; forest and environment; language and culture; tourism; and cottage industry. The DDC is the highest body at the district level, between the VDC and the Parliament,

which is the highest (national) body representing the people. The scope and functions of the DDC are broader than those of the VDC and it covers areas not touched by the VDC. These functions include agriculture; rural drinking water and habitation development; hydropower; works and transport; land reform and land management; the uplift of women and helpless people; forest and environment; education and sports; wages for labor; irrigation, soil erosion, and river control; information and communications; language and culture; cottage industry; health services; tourism; and matters relating to control of these activities.

VII. Linkages between VDC and DDC

A District Council works as a parliament in the district. It is composed of the chairperson and deputy chairperson of each VDC in the district, the mayor and deputy mayor of each municipality, members of the DDC, members of the house of representatives and national assembly from that district, and six persons nominated by the District Council. The functions, duties and authority of the district council are to

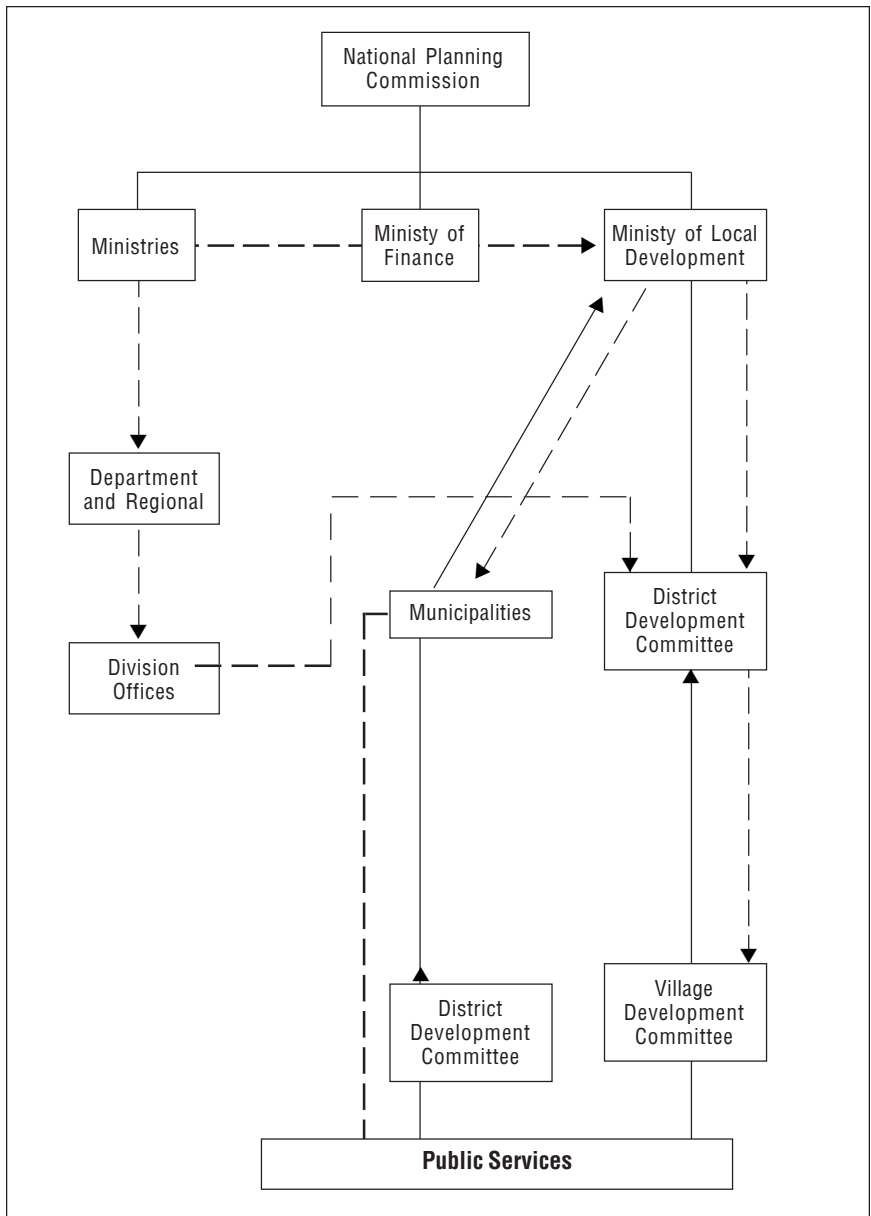
- pass the budgets, plans, and programs submitted by the DDC,
- evaluate the development programs in operation by the DDC,
- discuss the audit report of the DDC,
- approve the by-laws of the DDC, and
- delegate some of the authority conferred on it to the DDC.

As members of a District Council, the chairperson and deputy chairperson of a VDC could acquire information relating to the DDC's development activities; similarly, the VDC's development plan would come to the knowledge of the council members. It is a kind of a forum for effective interaction among council members. Figure 1 shows the linkages between the VDC and DDC.

For the development of rural areas through the local self-governance system, the roles of the National Planning Commission, the Ministry of Local Development, and other ministries are supportive, corrective, and coordinating in nature; they are grouped into the following perspectives:

- taking policy initiatives;
- coordinating at the national level;
- developing central-level programs;
- setting standards and goals;

Figure 1. Linkages Between the Village Development Committee and District Development Committee



Source: Author's research.

- making basket funds available to DDCs for administration, recurrent expense, and investment purposes;
- providing the budget to implement national priority programs; and
- authorizing DDCs to approve their annual plan.

The department and regional offices and division offices of the ministries provide the following functions:

- providing technical assistance to DDCs;
- implementing central-level programs;
- strengthening the capacity of DDCs, municipalities, and VDCs in various sectors; and
- coordinating national programs.

Civil society and the private sector, on the other hand, act as service providers.

The DDC prepares and approves the district level plans and budget for basket funds and internal resources, and authorizes VDCs to carry them out. It supervises and monitors programs implemented through VDCs. The Municipalities and VDCs also possess the authority to prepare and approve their plans and budget, authorize agencies to carry them out, and supervise and monitor the programs implemented.

VIII. Duties and Responsibilities of Each Level of Institution

The duties and responsibilities for different types of development activities are shared among different institutions, from the central Government to the VDC. In the lines of authority and responsibility, NGOs, in terms of community organization and private sector participation stay in the background, but their roles remain important in development activities. Institutions involved for rural development activities are as shown in Table 1.

In the aforesaid supply function, the central Government has been playing a major role. It seems the local self-governance mechanism, in the absence of active cooperation from the central Government and its effective network, cannot make its delivery mechanism effective. Table 1 shows a setup in which a person, responsible for making contact with the central government office repeatedly until the required work gets done, has to stay at the center. This is because, out of 34 listed development activities in the Table 1, the central Government is directly responsible for 22 activities. Necessary consent

Table 1. Responsibilities of Various Government Institutions

Duties and Responsibilities	CG	DDC	MUN	VDC	CO	Pvt
Road, Transport and Physical Planning						
Highways, national roads, international roads, and bridges	√					
Intradistrict roads and bridges		√				
Urban roads			√			
Trail improvement/maintenance		√		√		
Suspension bridge construction	√					
Settlement plan, development			√	√		
Venders' market development			√	√		
Irrigation						
Construction and rehabilitation of surface irrigation schemes	√				√	
Operation and management of surface irrigation schemes		√				
Construction and rehabilitation of groundwater irrigation	√	√	√	√		
Operation and management of groundwater irrigation		√				
Education						
Preschool and primary education	√					
Nonformal education	√					
Secondary education	√					
Higher secondary education						√
Technical and vocational education	√					
School building construction/infrastructure	√	√	√	√		
Higher education	√					
Higher technical education	√					
Special education	√					
Water resources and electricity						
Large hydropower plants	√					
Small and minihydro plants	√					
Microhydro plants		√	√	√		
Electricity line extension	√					
Electricity distribution	√					
Agriculture, livestock and cooperatives						
Research	√					
Agriculture and livestock extension	√					
Agrofertilizers and pesticides	√					√
Agroveterinary technical services	√					
Market collection centers, market information						√
Processing and postharvest services						√
Cooperative services						√
Economic activities						
Industrial policy development	√					
Industrial development	√					√

CG = central Government; CO = community organization; DDC = District Development Committee;
MUN = Municipality; Pvt = private sector; VDC = Village Development Committee.

Source: DASU 2004.

needs to be taken for other activities that are difficult to state but are not overlooked. The DDC is involved in seven activities and the municipality, VDC, and private sector are each assigned six activities. The community organization is involved in only one activity.

IX. Local Institutions in Retrospect

Local government institutions were working during the absolute monarchical system of *panchayat* government for about 30 years before 1990. They were then known as district panchayat, municipality, and village panchayat. Their functions were more or less similar to the functions of the local institutions working at present. However, local institutions nowadays are made more development-oriented. Even their names appear more development-oriented. In the organizational structure, a junior clerk as a representative of the Ministry of Local Development is deputed to a VDC. Likewise, an officer-level staff member is deputed to a Municipality and a local development officer works as a member cum secretary in the DDC. This type of linkage was in practice under the panchayat system of district, municipality, and village administration.

X. The Status of Poverty

Poverty has become a national characteristic, in spite of the herculean efforts made to prepare a plan and program for poverty reduction and implement it. The record shows that poverty has been increasing rather than decreasing. Table 2 shows the status of poverty from 1976/77 to 1995/96.

Table 2 shows the changes in percentage of poverty during the period when the percentage of urban poverty was falling from 22% in 1976/77 to 19% in 1984/85 and 17.8% in 1995/96. Rural poverty, on the other hand, has risen from 33% in 1976/77 to 43.1% in 1984/85 and 46.6% in 1995/96. By ecological belt, rural poverty is highest in the Mountains zone, followed by Hills and Terai (plateaus) in 1995/96, but in 1984/85, the percentage of poverty appears higher in the Hills zone, followed by Mountains and Terai. From this information, it is clear that the level of poverty is highest in the rural parts of Mountains and Hills zones and the people in Mountains and Hills have less access to economic opportunity than those in the Terai zone. Further, the urban area of the Hills zone offers more economic opportunity than that of Terai.

Table 2. Percentage of Nepal's Population Below the Poverty Line

Survey Year	Rural	Urban	Nepal
1976/77 survey (Breakdown by ecological belt not available)	33	22	33
1984/85 survey			
Terai	35.4	24.1	34.5
Hills	52.7	14.5	50.0
Mountains	44.1	—	44.1
Total Nepal	43.1	19.2	41.4
1995/96 Survey	37.3	28.1	36.7
Terai	52.7	14.5	50.0
HillsMountains	62.4	—	62.4
Total Nepal	46.6	17.8	44.6

Source: World Bank 1999: 6.

XI. Effect of Development Activities

Jean Dreze and Amartya Sen, in their book *Economic Development and Social Opportunity* (1999), explain that economic opportunities are the function of a variety of factors, among others the state of educational and health care services, the nature and availability of finance, the presence of markets, and the general form and reach of bureaucratic control. The presence of a market is possible when there is a good network of roads and communication facilities. The telephone is taken as a medium for two-way communication and has proved to be a most effective tool. Radio and television are media for one-way communication and used for mass communication.

Access to opportunity for an individual increases one's per capita income. For this study, opportunity is expressed in terms of access to education, electricity, telephone service, roads, and radio service. If they are arranged in the form of a vector, each element of economic opportunity acts as an independent variable affecting the per capita income of an individual. So, per capita income and economic opportunity at time t for a particular country can be represented by the vector

$$y_t = (x_1, x_2, x_3, x_4, x_5)_t \text{-----(1)}$$

where

y_t = per capita income

x_1 = electricity, x_2 = literacy rate, x_3 = roads, x_4 = radio access, and x_5 = telephone.

Economic opportunity expressed in terms of literacy rate, electricity, telephone service, roads, and radio access in Nepal's 75 districts has been ranked using a composite index (Central Bureau of Statistics 2003). It addresses the smallest value of the indicator as 0 and the largest value as 1 and other values between 0 and 1. The smallest value 0 represents the worst conditions for development and the largest value 1 represents excellent conditions for development. The formula used for the composite index is as follows:

Let X_{ij} denote the value of the J^{th} indicator in I^{th} district, and \max_j and \min_j denote the corresponding maximum and minimum values of the J^{th} indicator in all 75 districts; then the composite index for the J^{th} indicator in the I^{th} district, say C_{ij} , is computed by using following expression:

$$C_{ij} = \frac{x_{ij} - \min_j}{\max_j - \min_j}$$

XII. Effect of Economic Opportunity on Per Capita Income

The relation $y_t = (x_1, x_2, x_3, x_4, x_5)_t$ is expressed in the multiple regression form as

$$y_t = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + E_t \quad (II)$$

where

y_1 = per capita income

β_0 = regression coefficient (Constant term)

β_1 = regression coefficient in regard to x_1

β_2 = regression coefficient in regard to x_2

β_3 = regression coefficient in regard to x_3

β_4 = regression coefficient in regard to x_4

β_5 = regression coefficient in regard to x_5

E_t = error term distributed normally with zero and variance σ^2

By applying the method of least squares, we can estimate all the regression coefficients. The estimated value of regression coefficient is given by

$$\beta = (x^T x)^{-1} x^T y$$

Where $\beta = (\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5)^{-1}$

Through computer analysis, using the SPSS package, we derive the following estimated values:

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5$$

$$Y = 11967.695 + 13937.718x_1 + 1951.394x_2 - 12275.238x_3 - 2214.831x_4 + 25073.044x_5$$

(4.417) (0.760) (-1.967) (-0.837) (3.877)

β values of road access and radio show that the negative impact on Y (see Table 3) means that with the increase in the amount of Y, no obvious relationship was rated between road access and possession of a radio with the income level. In Nepal, districts with no network of roads also have increased amounts of Y. The reason for this is open for detailed study. β_1 and β_5 are statistically significant at the 5% (and 1%) level; β_2 , β_3 , and β_4 are not statistically significant at the 5% level. From the F ratio we conclude that R^2 is statistically significant.

R^2 explains the regression equation affecting about 61.3% of the total variation in per capita income (see Table 4). The remaining 38.7% is attributed to factors included in the error term.

Table 3. Significance of Parameters^a
(coefficients)

Variables	Unstandardized Coefficient		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	11967.695	1224.364		9.775	.000
Electricity	13937.718	3155.447	.520	4.417	.000
Literacy	1951.394	2569.190	.087	0.760	.450
Road	(12275.238)	6240.484	(.294)	(1.967)	.053
Radio	(2214.831)	2641.623	(.088)	(.838)	.405
Telephone	25073.044	6467.033	.587	3.877	.000

B = Rate of change of dependent variable with respect of independent variables; Beta = Value of test statistics; Sig. = Significance; t = t test; blank cells = not available; figures in parentheses = negative values.

Notes: ^a Data used in the test of significance are derived by the author from the unpublished documents and data of the National Planning Commission, District Level Indicators of Nepal for Monitoring Overall Development, and Selected Economic Activity Tables. Dependent variable: per capita income.

Source: Author's calculations.

Table 4. Estimated Values for Regression Coefficients

R	R ²	Adjusted R ²	Std. Error of the Estimate
.783 ^a	.613	.585	4041.1569

R = Multiple Correlation Coefficient; R² = Coefficient of Multiple Determination; Adjusted R² = Coefficient of Multiple Determination without error.

Note: ^a (constant) telephone, literacy, radio, electricity, roads.

Source: Author's calculations.

The tabular value of F at the 5% level of significance with (5, 69) degree of freedom is 2.37. The tabular value of F is less than the calculated value (see Table 5), which indicates that there is a significant difference in the impact of the independent variables (electricity, literacy, road, radio, and telephone) on the dependent variable, i.e., per capita income. It means each of the independent variables has a different degree of impact on the dependent variable.

Test Statistics :

$$F = \frac{MSC}{MSE}$$

Where MSC = Mean sum of squares between samples (regression) and

MSE = Mean sum of squares within samples (residual).

Table 5. ANOVA

Model	Sum of Squares	df	Mean Squares	F	Sig.
Regression	1.78E + 09	5	356625817.49	21.837	.000
Residual	1.13E + 09	69	16330949.331		
Total	2.91E +09	74			

ANOVA =Analysis of Variance; df = Degree of freedom ; F = F test; Sig. = Significance.

Source: Author's calculations.

XIII. Discussion of the Result

Access to roads in a district would naturally be expected to increase the per capita income of the people as the economic activities of the district increased. The result, however, shows a lower individual per capita income in the districts connected by the national road network, compared with some of the districts not connected. For example, the per capita income of the individuals in Manang and Mustang districts, located in Mountain Region, is Rs37,153 and Rs33,365, respectively; while the per capita income of the people in Mahottari and Sarlahi districts, located in the Terai Region, is only Rs10,674 and Rs10,850, respectively. Terai is a plains land considered a paradise for agricultural production, connected by a national highway and several feeder roads and highly accessible from any direction. Mahottari and Sarlahi districts, too, have national highways and several feeder roads. Furthermore, agricultural activities are severely limited in Mountain Region areas like Manang and Mustang districts. These two districts are neither connected by highways nor do they have any feeder roads.

This means that the development-oriented thinking and commitment to hard work of the population in these districts is the major guiding principle increasing per capita income, rather than road network connections alone. As to the comparative advantage of the district, the initiation of some economic activities in the districts still to be connected by road can raise the economic status of the people. Different types of development programs focused on agriculture are communicated to farmers through radio. These programs do not seem to have attracted enough listeners to development programs, even though radio in rural Nepal is a popular medium among villagers for entertainment and for all types of information seeking.

For the improvement of literacy rates, all the programs run by the Government and NGOs do not show significant impact on per capita income, meaning that literacy programs may have a less important link with development activities than previously assumed. Past research has shown that people's literacy tends to decline when it is not put to daily use in business matters. Literacy programs need to impart some necessary and usable skills and other productive activities. Only then will they have a meaningful impact on economic development. It is true that research conducted by the World Bank and numerous other researchers have proved close linkages between levels of literacy and levels of development. Lack of such a significant relationship in Nepal may indicate that our focus may have been more on quantitative targets than qualitative improvement. The significant impacts of electricity supply and telephone access on per capita

income show a hope for Nepal's economic development by improving in these areas. It reemphasizes that improvement in basic infrastructure has a direct impact on economic development.

XIV. Conclusion

Developing better plans and policies is just a beginning for the reduction of poverty, which gets speeded up from its effective public service delivery mechanism. The delivery mechanism in Nepal lacks proper expertise and commitment, on the one hand, and coordination among local institutions, line ministries, and the National Planning Commission, on the other. As a result, the percentage of the population living below the poverty line in rural areas has increased continuously in 1976/77–1995/96. The development activities like electricity, literacy campaigns, road construction, and radio and telephone connections have different degrees of impact on per capita income. Some development activities, such as road access and the possession of radios by persons in rural areas, have no impact on increasing per capita income. It means that transport linkages should be developed simultaneously with other economic packages. Otherwise, simply laying roads or improving linkages will not help the people of remote areas to improve trade and services, as the very foundations for these activities may not exist. But infrastructure development is essential, as it has in varying degrees a sound relationship with development. Literacy drives in the country need to be substantially reoriented to encompass packages to increase skills and productivity.

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Poverty Alleviation in Uzbekistan's Strategy of National Development

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Poverty is a current issue in all countries in the world: for developing countries such as the People's Republic of China, India, Thailand, Philippines, Kazakhstan and Kyrgyzstan; and the industrially more advanced Asian countries, such as South Korea and Malaysia. The phenomenon exists even in the USA, Japan, and Germany. Each country should develop a policy and resolute strategy of prompt reduction in the general level of poverty to the planned level, which is determined by each country's national features. Any strategy of struggle for liquidation of poverty the center of which is the person should begin with creation for that person of opportunities of independent overcoming.

The problem of poverty is not new for Uzbekistan and other countries of Central Asia. To tell the truth, in the conditions of a planned economy, the prevailing ideology did not allow any official recognition of this phenomenon. Information on poverty was considered confidential. Only at the end of the 1980s was it recognized that under the Soviet regime poverty existed, and its working definition has appeared: people whose income was below the minimum wage were classified as poor. For support of these socially vulnerable groups, special programs were developed for mitigation of absolute and relative poverty by grants from the state budget for products and services, the maintenance by the state of education systems and public health services, and the existence of a wide network of social programs.

Becoming an independent state in 1991, Uzbekistan lost transfers under grants from the Soviet Union that made up as much as 19% of state expenditure. Although the Government undertook a number of measures to correct these problems, the loss of transfers, and the difficulties of transition to a market economy, greatly complicated the tasks of stabilizing the economy and integrating it into the global system. Now poverty has become more tangible, the inequality in incomes has amplified. Doctors, teachers, and civil servants treating the middle class have faced a sharp fall in their standard of living. The transition period has aggravated other aspects of the problem. Those social parameters that were achieved in the Soviet period — 97% literacy

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Uzbekistan at a Glance

Uzbekistan is Central Asian country with a rich and ancient cultural heritage. The total area of the country is 447,400 square kilometers (sq km). Uzbekistan is a dry, landlocked country 11% of which consists of intensely cultivated, irrigated river valleys. More than 60% of its population lives in densely populated rural communities. During the Soviet era (1924–1991), intensive production of “white gold” (cotton) and grain led to overuse of agrochemicals and the depletion of water supplies, which have left the land poisoned and the Aral Sea and certain rivers half dry. Independent since December 1991, the country seeks to gradually lessen its dependence on agriculture while developing its mineral and petroleum reserves. Uzbekistan is now the world's second-largest cotton exporter, a large producer of gold and oil, and a regionally significant producer of chemicals and machinery. After 1991, the Government sought to prop up its Soviet-style command economy with subsidies and tight controls on production and prices. Uzbekistan responded to the negative external conditions generated by the Asian financial crisis by emphasizing import substitute industrialization and by tightening export and currency controls within its already largely closed economy. A sharp increase in the inequality of income distribution since independence has hurt the lower ranks of society. In 2003, the government accepted the obligations of Article VIII under the International Monetary Fund (IMF), providing for full currency convertibility. The population of Uzbekistan is 26,410,416 people; 0–14 years: 34.1% (male 4,583,228; female 4,418,003), 15–64 years: 61.1% (male 7,990,233; female 8,157,136), 65 years and over: 4.8% (male 513,434; female 748,382) (2004 est.). The population growth rate is 1.65% and life expectancy is 60.67 years for males and 67.69 years for females (2004 est.). Gross domestic product (GDP) (purchasing power parity): \$43.99 billion (2003 est.); GDP real growth rate: 3.1%; GDP per capita (purchasing power parity): \$1,700 (2003 est.) Labor force: 14.2 million (2003 est.); unemployment rate: 0.5%, plus another 20% underemployed (2003 est.).

Source: CIA 2004.

among the adult population, life expectancy of 69 years, universal achievement of 9 or more years of schooling—are threatened with deterioration. The high standard of living, together with the per capita social parameters, favorably set Uzbekistan apart from other Asian countries.

What is the shape of poverty in the transition economy of Uzbekistan, and what is the strategy of the Government for alleviating poverty and increasing incomes?

1. 28.9 % of the population of Uzbekistan lives below the poverty line (Table 1)

As can be seen from this table, expenditures increased for services connected with the following vital needs: payment for housing and communal services, transport, and healthcare and educational services. The increase was caused by reduction of the foodstuffs of the population and reduction of state grants for these kinds of services. All this effected the living standards of the population.

Table 1. Structure of Expenditures of the Population
(% of average per household)

Year	Consumer Charges of the Population	Including charges for:								
		Food-stuffs	Non-food-stuffs	Services	From them:					Other
					Housing Costs	Transportation	Household Services	Educational	Medicine	
2002	100	63.7	22.7	13.0	4.3	4.7	1.9	0.2	0.5	0.6
2003	100	61.6	23.1	14.6	4.8	5.2	2.3	0.4	0.6	0.7
2004	100	61.3	22.0	16.0	6.2	5.7	1.7	0.8	0.4	0.7

Source: Center of Effective Economic Policy 2004: 58.

2. The divide between the incomes of the least and most well-off part of the population has increased.

As Khalid Malik (1998) pointed out, since independence, the degree of income inequality, measured by the Gini coefficient, has reached 0.285 (1986: 0.246). This problem was also not new for Uzbekistan. Incomes were unequal even during the planned economy. The socialist model assumed construction of a society in which people would have equal incomes, or, at least, in which everyone's needs would be satisfied equally. It is well known that this did not take place: the inefficiencies of the socialist economy resulted only in "equality in poverty."

The increase in inequality can be explained by strong agrarianization (the large size of the agrarian sector in the Uzbekistan economy and concentration of poverty in rural areas), reindustrialization, and reurbanization; and relative or even absolute reduction of educational, medical, scientific, and technical potential. As expected, the transition to a market system has strengthened income inequality. By 2002 stratification

in incomes increased by almost 20%. Notwithstanding, however, the average level of income inequality is lower than in many Asian developing countries.

3. The growth in the proportion of the unemployed in the economically active population is notable: as of 1 January 2004 the numbers of unemployed registered by the Republic's Ministry of Work and Employment reached 36,600 people (Table 2). More than 10 methods of counting unemployment exist and each of them is considered official. Taking into account that unemployment of 5% is considered normal in advanced, developing, and transition economies, creation of workplaces is clearly the most effectual measure for mitigating poverty in Uzbekistan.
4. While levels of education in industrially advanced countries can affect the inequality of incomes at the initial stage of transition, this was not observed in Uzbekistan.

Table 2. Basic Current Labor Market Indicators in Uzbekistan
(Number of people)

Years	Registered as job seekers ('000)	Successful job placements ('000)	Ratio of placements to Registered (%)	Number of officially registered unemployed people by the end of the reporting period ('000)
1995	246,191	153,526	62.4	25,388
1996	275,358	178,755	64.9	27,514
1997	298,829	197,439	66.1	28,797
1998	313,824	207,924	66.2	33,281
1999	387,880	246,227	63.5	39,118
2000	421,377	280,601	66.6	35,408
2001	462,753	318,068	68.7	37,491
2002	448,175	322,154	71.9	34,835
2003	430,484	317,424	73.7	32,208
2004/I	104,775	762,49	72.8	36,887
2004/II	228,113	170,511	74.8	41,246
2004/III	331,119	252,312	76.2	36,597

Source: Center of Effective Economic Policy 2004: 63.

Many people receiving high incomes did not always have higher education. This fact has caused a revision of values and ideals in the rising generation. This “educational unstimulator” has caused a migratory outflow of qualified personnel and undermined development of human capital for the long term. An appreciable difference in incomes also occurs among various ethnic groups: among European families only 20% have low incomes, but among Uzbek families the figure is 56%.

5. In Uzbekistan the question of how to generate the markets that would provide optimum distribution of effective resources and stimulate human development underlies most discussions about economic reforms.

For effective economic growth in Uzbekistan, developing the market relations in the initial stages demands functioning labor markets, machinery, and financial markets to supply money and credit. Without financial markets to create credit, manufacturers are in a difficult position and cannot answer price signals, which negatively affects markets. Without the creation and implementation of purposeful government policies, it is difficult to imagine how to stimulate development of market relations to develop competition, make labor markets more efficient, create financial institutions, and, in other words, develop purposeful strategies to mitigate poverty in the country. If markets are not competitive, if the institutions supporting them are not advanced, large failures in market mechanisms are unavoidable. Human development, which clearly seems to be market focused, determines the true purpose of social policy in Republic of Uzbekistan: the improvement of the characteristics of the market.

Victor Abaturov (2003) argues that the creation and improvement of characteristics of the market in the countries in transition to market economies is the mission of the Asian Development Bank (ADB), which is considered the largest financial partner of Uzbekistan. Since 1995, when Uzbekistan became a member of ADB, it has taken out 15 loans for 14 projects, for the sum of US\$1.34 billion, which includes credits of \$745 million dollars. These funds have been directed at improvement of education, the financing of agricultural production, water resources management, corporate management, enterprise restructuring, and development of power and transport. With a view to reducing the social consequences of transition, credits have also gone to development of small and medium-sized enterprises, alleviating poverty, and social protection and health protection of vulnerable portions of the population.

Poverty is many-sided, and consequently it is difficult to make any generalizations. Absence of solid data greatly complicates the analysis of a situation. However, it is possible to cite some data concerning probable tendencies.

People are considered needy if their incomes are insufficient for purchase of a "consumer's basket" of goods and services. As a rule, the poverty line is determined by classifying those who have incomes below a given level as poor. As was already mentioned, 28.9% of Uzbekistan's population meets this criterion. In practice, an estimation of poverty is usually made on the basis of selective household inspections. Certain parameters are applied, for example, the minimal expenditures for products per capita, etc.

It is necessary to distinguish between absolute and comparative poverty. The first can be described as a condition of absolute, extreme poverty. Unforeseen events, for example, the death of the household supporter or the loss of a crop, may push a family or a person into absolute poverty. Absolute poverty is very dangerous to a society, as it tends to arise unexpectedly and catastrophically reduces the opportunities for people to escape.

If people have even insignificant incomes, if they live a little bit better than some others, there is comparative poverty. A person may count himself poor in relation to another, being guided by the understanding of poverty accepted in his immediate society. The borders of comparative poverty, most likely, vary over time and social context. According to the concept of social deprivation, people feel themselves poor when their incomes and opportunities are much lower than the norms accepted in the appropriate social group. So, the cited figure of 28.9% comprises comparative poverty, that is, poverty by the standards of the former Soviet Union. The majority of the USSR's inhabitants had work or other sources of income, were provided with a habitation, and used free-of-charge education and public health care services. What with various social grants and other transfer payments, state policy in Uzbekistan is constantly directed to helping those below the poverty line, as many as possible.

To establish levels of absolute or comparative poverty in Uzbekistan is very difficult. The basic information can be found out in the data given by local self-government institutions—*makhallya*—which together with the state organizations for work, employment, and social security, have carried on an effective institutional struggle against poverty (UNDP 2000).

A *makhallya* is a traditional association of the families living in a neighborhood. During a centuries-long history, the institution of *makhallya* has proved stable and at the same time able to develop itself. The modern *makhallya* is a self-government institution of citizens, one of the key elements of civil society. There principles of mutual aid, solidarity, and social tolerance

have survived. In the new conditions, makhallya have taken over and successfully performed new functions, becoming the main conductor to families of the administrative programs of social support against poverty. Since 1994, this unique mechanism for supporting citizens' incomes and standards of living, which has no analogue elsewhere, has used the decisions of its council of citizens or their elected representatives to successfully distribute allocated public funds among needy families. Heads of self-government institutions—leaders of the makhallya—provide grants to families with children and material aid to needy families in accordance with the decision of all members of the makhallya and with current legislation. The makhallya system is characterized by publicity and democracy, and the communities generally accept its decisions as to the purpose of payment of grants and the mechanism of distribution. With no bureaucratic barriers, the system appears to have an advantage in distributing the material aid and strengthening social justice, individualism, and voluntarism in the process of distributing state support to families. In 2003, 16% of families in Uzbekistan received help through the makhallya system. The makhallya system is much more effective at targeting support for the needy, and works more cheaply, than the national program of social protection.

The functions of the makhallyas go beyond social assistance. Employing *khashar* methods of traditional community cooperation, makhallyas mobilize community members to undertake projects to meet agreed community needs. According to a 1999 law, they promote the rights of citizens to manage public affairs, involve citizens in solving local problems, assist authorities in enforcing laws, and foster social cohesion in a multiethnic society. Makhallyas may own property and start their own industrial or commercial enterprises.

A makhallya foundation promotes the system. But in some regions, the resources for social assistance are inadequate to fully cover people's needs, so benefits are spread over all eligible households or rotated among them. The system of allocation needs to be examined to determine whether funds are targeted to the regions most in need and, within regions, to the makhallyas most in need. Outside the makhallyas, only about 20 independent civil society organizations, mostly government-sponsored organizations established in the Soviet era, have a role in poverty mitigation.

In the specific conditions of Uzbekistan, the most suitable way to solve this very difficult and complicated problem of poverty reduction will be a stage-by-stage increase in levels of payment to provide a living wage, and as a consequence raise the cost of the "consumer's basket." Increasing these payment levels will have the initial result of strengthening inflation, but will positively affect the development of domestic consumption that is the important factor in the revival of manufacturing, increased employment, and eventually, reduced levels of poverty.

In Uzbekistan, it was possible to prevent a sharp increase in poverty and inequality, in part because of the viability of the agricultural sector, and also because the Government worked hard to mitigate the consequences of the economic/financial crisis. For example, it continues to support access of citizens to basic provisions, public health services, and education. Moreover, since 1992 almost all inhabitants of Uzbekistan have received as their own property apartments and houses that once belonged to the state for token prices or free of charge. Actually, recent research has shown that the number of families in which the per capita income is less than wage levels has remained at its former level, 28.9%. The average level of calorie consumption per capita is also reported to have remained the same (although it may be pertinent here to express cautious doubt in the reliability of this statistic; data from the latest research calls for the alleviating of this parameter).

Nevertheless, Uzbekistan has serious problems approaching. One of them is that, while reported unemployment is rather low, latent unemployment is now estimated at 30% (Table 3). This combination of a large number of potentially jobless people and a considerable inflow of new applicants for workplaces places rather complicated problems before the Government.

Table 3. Uzbek Employment Levels in Cities and Countryside
(number of people)

Year	Registered as Looking for a Job		Employed		Level of Employment (%)	
	City	Countryside	City	Countryside	City	Countryside
2002	133,602	314,573	92,257	229,897	69.1	73.1
2003	114,135	316,349	79,205	238,219	69.4	75.3
2004/I	27,444	77,331	18,899	57,350	68.9	74.2
2004/I-II	59,057	169,056	41,774	128,737	70.7	76.1
2004/I-III	85,864	245,255	61,624	190,688	71.8	77.7

Source: Center of Effective Economic Policy 2004: 63.

From this evidence, it is clear that the economy has to develop to extend employment. If this does not happen, the level of poverty may rise catastrophically, bringing great additional pressure upon the social budget. Therefore, to understand the dynamics of poverty it is necessary to consider it in a context of economic growth as a whole and growth of employment in particular. Creation of workplaces is the most suitable measure of social

support in such a situation, and without significant economic growth it is hardly possible to provide it.

Some countries of East Asia show the importance of this approach: for example, in the 1970s Malaysia used a variant of employment growth solution and at the present time has achieved a high level of economic development, alleviating poverty and inflation and achieving their stabilization at an allowable level (University of Malaya 1999).

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Session 5

Effective Public Service Delivery

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Lessons from the Implementation of Social Safety Net Program in Indonesia

DJONET SANTOSO

Poverty Alleviation through Effective Public Service Delivery

Mengzhong Zhang¹

I. Introduction

The panelists of this group explored the poverty alleviation avenues available through e-government, bureaucratic reforms, the welfare state, public programs, and other means of effective public service delivery. While the panelists cover a wide range of topics, the focus here is the four papers included in the symposium.

II. E-government

In their paper, R. F. I. Smith and Julian Teicher observe three ways that e-government can help governance and public service:

- e-government can help improve governance and service delivery by refocusing consideration of the purposes and tools of government;
- e-government initiatives pose challenging questions of management, especially about coordination in government and the design of services for citizens; and
- progress toward implementing e-government raises critical questions about preferred styles of governance and about how governments relate to citizens.

The authors conclude that interactions between citizens, the institutions of government, and information and communications technology raise more agendas than governments can handle. Nevertheless, e-government helps improve governance and services by asking questions.

Another point is that e-governance can accelerate economic development and the empowerment of individual citizens, as well as bringing about good governance and development to overcome the problem of poverty alleviation.

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E-initiatives will promote new agendas of relationship management and institution construction, playing an increasingly critical role in reconnecting citizens and governments.

III. Bureaucratic Reform

In his paper “Improving Public Service Delivery Through Bureaucracy Reform,” Dr. Awang Anwaruddin examines the current status of the bureaucracy in Indonesia and proposes some recommendations for improvement.

The author identifies three kinds of problems with Indonesia’s bureaucracy. First, Transparency International reports indicate that Indonesia is among the most corrupt countries in the world in recent years and the *World Competitiveness Yearbook 2003* demonstrates that the performance of bureaucracy in Indonesia is ranked the world’s worst along with those of Viet Nam and India.

Second, there are problems with the overlapping structure of bureaucracy, vague divisions between government functions and citizen obligations, and unclear political process of policy formation. In both central and local government, the bureaucracy is now getting bigger and more swollen. Therefore, the bureaucracy becomes inflexible and slow in responding to emerging problems.

Third, there are problems with human resources quality. About 60% of public employees are educated at high-school level, while only 15.6% graduates are university graduates. The remuneration is not based on merit that considers the work performance. Thus, there is no correlation between salary and productivity.

In countries like Indonesia, the main problem is low public service performance and excessive service cost. Therefore a positive prescription is a comprehensive approach of bureaucratic reform, including the bureaucratic institution, management, human resources, and service culture. Other efforts may include i) establishing an interagency committee, ii) assistance from academic institutions/NGOs, iii) collaboration between government and academic institutions, iv) program evaluation, v) absorption of funding from ADB and other foundations, and f) encouraging comprehensive participation.

Anwarudin’s detailed approach to reform efforts is offered through preliminary, implementation, and evaluation stages.

IV. Welfare State

In his paper, Dr. Djonet Santoso examines the role of the Social Safety Net (SSN) program in Indonesia in poverty reduction. It is a general understanding that government should work to boost economic growth, reduce poverty, and develop the human resources through expanding public health spending and schooling. In this regard, the Indonesian Government created the SSN program in 1998. Though the effectiveness of the program varies across regions, the study reveals that on many occasions the program has missed the target groups. The SSN program has four subprograms: food security, employment creation, education, and health care. To further improve the effectiveness of the SSN program, the author recommends that the Government implement several strategies: consult with nongovernment organizations; take new approaches; improve the transparency of information dissemination to the public; bring about effective and efficient public consultation; monitor the progress of programs or projects; encourage citizen participation; and look for accurate demographic data.

V. Public Programs

In their paper “Rural Poverty Alleviation In India: An Assessment of Public Programs,” B. S. Ghuman and Gurbinder Chima use secondary data and identify the impact of public programs on rural poverty alleviation as well as highlighting the collective role of both policy and nonpolicy variables in rural poverty alleviation.

The authors use regression analysis to find out that four variables—per capita (rural poor) expenditure on wage employment generation and self-employment programs for the rural poor, per capita monthly supply of rice and wheat by the Public Distribution System (PDS) for below-poverty-line rural people, per capita funds advanced by regional rural banks for the rural poor, and rural nonfarm employment—help in reducing the percentage of India’s rural poor.

Thus, from the public policy perspective, the authors recommend allocation of more public funds for wage employment and self-employment programs, and for the PDS. Moreover, the number of rural regional banks should also be increased, which would be effective in reducing the number of rural poor.

Our panelists cover a number of issues that manifest the value orientation of conventional public administration, such as efficiency, effectiveness, social equity, democratic participation, and public accountability. While traditional

values are emphasized, the more contemporary ideas of New Public Administration are also highlighted, such as entrepreneurship, market orientation, and result and outcome orientation.

Poverty is a historical phenomenon; only if economic development reaches an advanced level can poverty ultimately be eliminated. Nevertheless, even in rich countries like the USA, fighting poverty is still a significant issue. Therefore, public administration shoulders the responsibility of redistributing social wealth through a number of means, such as tax policy, diverse welfare programs, and other regulatory policies. Public administration has a large role to play in facilitating economic growth as well as ensuring social equity. Although our panelists and other participants have greatly contributed to our understanding of the state of the arts of poverty alleviation in so many countries and areas of Asia-Pacific region, they do not exhaust the issue. New problems and questions will surely emerge from time to time. In this regard, we look forward to the next NAPSIPAG conference for the new means and new ideas about governance from and for Asia-Pacific areas.

Improving Governance and Services: Can E-government Help?

R. F. I. Smith¹ and Julian Teicher²

I. Introduction

Since the late 1990s, the prospect of using information and communication technologies (ICTs) to improve effectiveness, fairness, and accountability in government has attracted widespread enthusiasm. However, early hopes that e-initiatives would bypass intractable questions of government organization and transform citizen experience of the delivery of public services have given way to more modest claims.

At the same time, thinking about how to use ICTs most effectively in government has generated widening questions about what governments should try to do and how they should do it. As Fountain (2001) has argued, e-initiatives reconfigure bureaucracy and disturb settled understandings about politics and the nature of the state.

ICTs open up diverse patterns of personal and group interaction. But managing ICT infrastructure and applications to provide better government demands coordination. Within government, e-government initiatives pose sharp questions about the roles and capabilities of the executive. They challenge the executive to organize itself for integrated policy making and management, respond to what citizens actually need, and manage multilayered and reciprocal interactions between government organizations and technology.

These challenges are linked, but linking them in a “whole-government” agenda creates large tests of executive capability.

A recent study by the Organisation for Economic Co-operation and Development (OECD) sets out key dimensions of the challenge in these terms: “Key questions include: How to collaborate more effectively across agencies to address complex, shared problems; how to enhance customer focus; and how to build relationships with private sector partners” (OECD 2003: 11). Such questions lead directly to a familiar dilemma “How to capture

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the benefits of coordinated action and shared approaches while maintaining individual agency responsibility and accountability for operations and results” (OECD 2003: 15).

Many governments have gone to great lengths to craft pluralist or decentralized strategies for improvement. In such models, connections between diverse initiatives depend on consultation and negotiation. Many large and complex businesses have followed similar paths.

However, the opportunity costs of e-initiatives are high. Such initiatives need to provide value. For governments, e-initiatives need to provide policy, management, and service outcomes that citizens value. The concept of public value provides a useful framework for making such assessments (Moore 1995; Kelly and Muers 2002; Stoker 2003; UN 2003; Smith 2004). For businesses, e-initiatives need to grow the business, build shareholder value, or maximize dividends. This has led to steadily more assertive rethinking of the role of coordinating and framework-setting bodies for the use of ICT in both business and government.

Themes of decentralization, devolution, and differentiation associated with New Public Management, neoliberal, or Washington Consensus agendas, which had a pervasive influence in the 1990s, are critically reconsidered. The OECD e-government project team (OECD 2003: 99) sets out a long list of benefits of central coordination. For the private sector, Nicholas Carr argues controversially that similar considerations apply:

Hierarchies... may outperform markets when it comes to integrating complex information systems, leading to a re-emergence of the vertically integrated company (Carr 2004: 12).

In a major study of information technology (IT) governance, Peter Weill and Jeanne Ross (2004) go further; they concentrate on the private sector but include significant public sector cases. They set out a concept of IT governance in which decision rights about IT are carefully allocated to ensure that business strategies drive IT investments. They propose that as dependence on IT spreads throughout organizations, IT governance increases in importance. In words that mirror the phrasing of the OECD team, Weill and Ross argue that the task of good governance is to handle effectively

a longtime management paradox—encouraging and leveraging the ingenuity of all the enterprise’s people while ensuring compliance with the overall vision and principles (Weill and Ross 2004: 236).

Governments introducing e-initiatives thus face contradictory pressures. Making e-government initiatives work demands significant resources. E-initiatives are hungry for political, organizational, human, and financial capital. Investments and potential gains are large. But to date, actual gains, however measured, are modest (see for example, Teicher and Dow [2003]). Further, the price of even modest gains is to open up controversial agendas of governance. Central coordination is back. And it is joined by demands for more responsive and participative government.

The propositions outlined above provide a framework for exploring these issues. Examples will be drawn from international surveys of e-government (OECD 2003; UN 2003; Yong 2003) and from the state of Victoria and the federal government in Australia. This paper argues that

- e-government can help improve governance and service delivery by refocusing consideration of the purposes and tools of government;
- e-government initiatives pose challenging questions of management, especially about coordination in government and the design of services for citizens; and
- progress toward implementing e-government raises critical questions about preferred styles of governance and about how governments relate to citizens.

II. Refocusing the Purposes and Tools of Government

E-government initiatives focus attention on the long-term impacts of the interaction of technology and organizations. E-government is not just about using ICTs throughout the institutions and operations of government. It is also about how organizations in government perceive and apply technology. The reciprocal relations between technology and organizations drive long-term change (Fountain 2001, Bellamy 2002).

Ambitions for e-initiatives in government are large. A recent UN survey argued that

E-government is about opportunity. Opportunity for the public sector to reform to achieve greater efficiency and efficacy. Opportunity to reduce costs and increase services to the society. Opportunity to include all in public service delivery. And opportunity to empower the citizens for participatory democracy.

But the greatest promise of e-government is the historic opportunity for the developing countries to “leap frog” the traditionally longer development

stages and catch up in providing a higher standard of living for their populations (UN 2003: 182).

Similarly, in Australia the state government of Victoria stresses the need for positive social impacts. Recently, it reframed its e-government strategy around people-centered government. Its aim is

[t]hat Victorians [be] assisted to meet their everyday needs through timely, convenient and relevant support from government, made possible by harnessing the capabilities of information networks and communications technologies as they evolve (Government of Victoria 2002:1).

Further,

E-government should be about people, not technology... Putting People at the Centre... is our vision for creating a new era of richer interaction between the government and citizens (Government of Victoria 2002: 2).

E-government is thus about the potential for a transformation of government and governance. Many early discussions of e-government outlined stages in the development of e-government in which the final stage was “transformation,” “integration,” “seamless service delivery,” or some similarly ambitious state. However, the path to transformation is tricky. Early, discrete, and bottom-up e-government initiatives tended to meet barriers. Such barriers included costs of ICT infrastructure, lack of interoperability, and problems of coordination. It proved easier to initiate specific projects than to bring together integrated packages. It also proved easier to use the Internet to provide information than to facilitate transactions.

Thinking about the path to transformation raises large questions. Three deserve particular attention. First, is how is change in the application of technology is to be managed?. Whether the focus is on determining requirements for IT infrastructure, finding funds to invest and accounting for those invested, outsourcing responsibility for technology supply, redesigning office procedures, or redefining requirements for skills and knowledge possessed by public employees, governments are expected to assume substantial responsibilities for the management of change.

In a study that combines technical and organizational perspectives, Lionel Pearce uses the evolution of selected stages models to set out the extent of the change agenda. He argues that the specialists in information systems management who originated stages models found themselves drawn progressively more deeply into issues of organization and management. He advocates an organization development model in which each step forward

is checked against progress in four dimensions: financial, business process improvement, organizational learning, and customer satisfaction (Pearce 2004:147).

The second question is how to determine the focus of desired transformations. Much discussion focuses on citizens as customers. Government is treated as a retail business and initiatives focus on individual transactions, for example, paying taxes, receiving benefits, renewing licenses, or finding information. E-government in Singapore is notable for the number of transactions now available electronically. Victoria Online provides users with access to Victorian agencies through a single entry point. It also provides access to federal and local levels of government. At the federal level australia.gov.au provides access to a series of portals with entry points to federal government services and to state governments.

However, citizens expect more from governments than to be treated as customers (Mintzberg 1994). Pressures emerge for holistic initiatives that benefit citizens as a group. Such initiatives may include institution building, policy development, or the management of information on which both the internal operations of government and the delivery of services depend. The statements quoted above from the UN and the government of Victoria make this explicit. However, progress on such initiatives is at a very early stage.

The third question is how to measure progress and learn lessons. Initiatives need to provide value to citizens and to be integrated. The country recognized consistently as an outstanding leader in e-government, Canada, makes a point of using citizen surveys, focus groups, benchmarking tools, and advisory groups (Government of Canada 2003). Canada also explicitly links the achievement of efficiency gains with improving and integrating services.

The federal Government in Australia follows a similar course. In a recent study, it found that e-initiatives returned favorable cost-benefit ratios and that, if anything, agencies underestimated “the financial benefits to people of government online initiatives.” It also found a demand from citizens for more participation:

Focus group participants indicated a strong desire for more information, greater interaction with government agencies and active participation in development of future community-focused e-government initiatives (AGIMO 2003).

For the two largest countries in Asia, the People’s Republic of China and India, a whole government perspective is also emerging as critical. James S. L. Yong and Janice L. K. Leong provide an example of the management difficulties facing e-initiatives in the Beijing Government:

We still lack a clear uniform standard in constructing e-Government, since different departments have different standards. Also, it's very difficult to redefine the work responsibilities of those departments (Yong and Leong 2003: 86).

Unless such problems are addressed, Yong and Leong foresee that “islands of automation” will emerge in different government agencies, and the overall e-government interface will remain disjointed (2003: 93).

Yong and Sachdeva identify similar issues in India, stating that

...the road to an integrated e-Government system in India is still a long one. The projects are emerging disparately without much replication and interoperability... There is a great need for a comprehensive national e-Governance Plan (Yong and Sachdeva 2003: 142–143).

If such issues assume high priority in countries that are making conspicuous efforts, they assume even more significance in countries that are still starting out. In Indonesia, for example, Ayuning Budiati (2004) found that e-government initiatives needed stronger leadership from the President and central agencies. Progress was further inhibited by the strong tendency for agencies and levels of government to work alone.

E-government thus refocuses the purposes and tools of government by contributing to agendas that place a high priority on coordination, integration, and providing citizens with value.

III. Rethinking Coordination and Design of Services

Ensuring that ICT infrastructure supports e-government strategies requires explicit strategies for the governance of ICT. Once information and transactions are available online, attention refocuses on integrated services. In turn, this leads to proposals for service redesign. Both governance of ICT and service integration have consequent impacts on the distribution of agency responsibilities and relations with users.

A. Governance of IT

The approach to IT governance proposed by Weill and Ross is designed to manage change. They argue that the need for IT governance increases as change accelerates (2004: 184). In brief, their case is that good IT

governance pays off: IT is expensive, IT is pervasive, new ITs bombard enterprises with new business opportunities, IT governance is critical to organizational learning about IT value, IT value depends on more than good technology, senior management has limited attention spans, and leading enterprises govern IT differently (2004: 14-18). Through an extensive survey of IT management practices in leading corporations and several public sector agencies, including the Metropolitan Police Service in London and UNICEF, they aim to identify effective governance strategies.

For governments, their argument about organizational learning is especially important. Weill and Ross state that

[e]nterprises have struggled to understand the value of their IT-related initiatives because value cannot always be readily demonstrated through a traditional discounted cash flow analysis. Value results not only from incremental process improvements but also from the ability to respond to competitive pressures... Effective governance creates mechanisms through which enterprises can debate potential value and formalize their learning (2004: 16-17).

The examples cited above reflect the difficulties many governments have in managing contending e-initiatives. Governments need to learn how to manage them better and convince citizens that they are getting value for money. Further, governments need to learn how to learn about managing e-government.

Weill and Ross's analysis is based on an IT governance arrangements matrix related to different governance archetypes for different kinds of decisions. They identify five interrelated IT decisions:

- IT principles—clarifying the business role of IT;
- IT architecture—defining integration and standardization requirements;
- IT infrastructure—determining shared and enabling services;
- business application needs—specifying the business needs for purchased or internally developed IT applications; and
- IT investment and prioritization—choosing which initiatives to fund and how much to spend. (2004: 10-11).

They identify six archetypes for the kinds of people involved in making IT decisions:

- business monarchy—top managers;
- IT monarchy—IT specialists;
- feudal—each business unit makes independent decisions;
- federal—combination of the corporate center and the business units with or without IT people involved;
- IT duopoly—IT group and one other group (e.g., top management or business unit leaders); and
- anarchy—isolated individual or small group decision making (2004: 12).

Table 1. Governance Arrangements Matrix

Decision - - - Archetype	IT Principles	IT Architecture	IT Infra- structure	Business Application	IT Investment
Business Monarchy					
IT Monarchy					
Feudal					
Federal					
Duopoly					
Anarchy					

Source: Weill and Ross 2004: 11.

They use the matrix to plot the distribution of arrangements used by the organizations in their study, relate arrangements for the overall making and monitoring of strategic business decisions, and identify effective patterns of governance.

Weill and Ross find that any decision archetypes can be associated with effective business strategies (2004: 158–175). However, patterns fall into three main groups. Companies that focus on operational excellence use highly centralized IT governance to facilitate high-volume, low-cost transaction processing. Companies that focus on customer intimacy face more complex needs and try to combine decentralized organizational structures with strong business and IT monarchies to “define and enforce

shared technology, business processes, and data definitions” (2004: 168). Companies that focus on product leadership need to encourage creativity while sharing results and building synergies. They can use duopolies and IT monarchies. They can even use feudal arrangements for identifying IT application needs.

Generally, Weill and Ross argue that IT governance in corporations is moving from “more autonomous to more synergistic organizational designs. As firms evolve toward more synergistic designs, they adopt more complex IT governance” (2004: 175).

The distinguishing features of most government organizations are greater organizational complexity and difficulties in performance measurement. Weill and Ross recommend

- using joint business and IT decision making for setting IT principles,
- considering IT infrastructure principles to be strategic business decisions,
- not using a feudal model for business application needs, and
- using joint decision making for IT investments. (2004: 203–205).

They suggest that high-performing public sector bodies regularly use the following mechanisms

- executive committees focusing on all key assets including IT,
- IT council comprising business and IT executives,
- IT leadership committee comprising IT executives,
- architecture committee,
- tracking of IT projects and resources consumed, and
- business/IT relationship managers (2004: 205–206).

The most conspicuous result of improved IT governance is improved management of information. For example, they attribute the transformation of business processes in the United Nation Economic and Social Council to construction of an effective intranet.

Weill and Ross conclude that, compared with corporations, government and not-for-profit organizations need to govern IT in subtly different ways:

Successful IT governance in not for profits relies even more on partnerships and joint decisions between business leaders as well as heavier use of formal mechanisms such as committees. More and more not for profits will include representatives from outside the organization on their IT governance mechanisms to reflect their broader definition of value (2004: 214).

The strength of Weill and Ross's analysis is that it is based on case studies of large government or not-for-profit organizations and reinforced by considerable familiarity with government operations. However, it does not examine arrangements for whole governments. The following brief examination of governance arrangements in the federal Government in Australia and the state government of Victoria makes a start at filling the gap.

This examination reinforces Weill's and Ross's conclusions about business complexity and improved governance by evolution. However, as Canadian observers have noted, a government is an "enterprise of enterprises." For this reason, federal models are highly attractive. The problem is that, as Australian experience shows, "whole-of-government" models are very difficult to sustain. Making business-IT duopolies work at agency level does not necessarily create support for a cohesive, whole-of-government federal system. Federal models provide thin restraints on feudal temptations, and the culture of agencies and departments operating in isolation is well entrenched.

B. Federal Government in Australia

In the federal Government, the history of IT governance and of e-government initiatives is of successive attempts to improve coordination, which decay, and a profusion of single-agency or single-transaction initiatives, which succeed but do not always connect. Whole-of-government approaches to IT governance began in the early 1990s with a review commissioned by the Minister of Finance. The Finance portfolio had, and still has, a leading role in management reform across the federal public sector. While the review recommended improved coordination between agencies, it also recommended contestability and outsourcing for IT solutions. A new Government in 1996 attempted to drive outsourcing from the Department of Finance. Although it was forced to abandon this strategy, because of it a substantial legacy of mistrust of central direction of IT remains.

In 1997, the Government set up the National Office of the Information Economy (NOIE) as a separate office within the portfolio of Communications, Information and the Arts. The office had a dual role: it encouraged internal coordination of e-initiatives; it also had responsibility for developing the regulatory and physical infrastructure for e-commerce. NOIE absorbed responsibilities from other departments, including the Office of the Government Online, but it did not have overall responsibility for e-government.

Meanwhile, in 2002, the government set up an Information Management Strategy Committee (IMSC), supported by a Chief Information Officer

Committee. The IMSC included heads of significant service delivery agencies and the Department of the Prime Minister and Cabinet. The head of Communications, Information Technology and the Arts chaired the committee. The Department of Finance was not represented. The committee encouraged a “big picture” approach to ICT issues, but agencies continued to be responsible for their own arrangements. As Teicher and Dow have commented, these arrangements reflected

...the fragmented nature of public management and the difficulty of achieving a whole-of-government perspective in the wake of two decades of managerialist reforms which have been partially successful in developing an organization specific culture (Teicher and Dow 2003: 243).

However, the Management Advisory Committee, a meeting of departmental and significant agency heads, began to take a larger interest in the use of ICTs. The e-government benefits study, referred to above, also developed a substantial whole-of-government agenda:

- consistent methods for demand assessment and a demand assessment approach that will respond to the whole-of-government perspective;
- consistent mechanisms for tracking all government service delivery options so adoption of e-government can be placed in perspective;
- consistent methods for assessing value and determining which projects have an acceptable benefit/cost ratio and should proceed;
- a whole-of-government e-service architecture that focuses on the user and the interface to the user that will honor the intention of citizen-centric and cross-agency expectation;
- a mechanism for cross-agency cooperation that allows agencies to take the lead as well as deliver services on each other's behalf; and
- a funding mechanism that responds to the social value being created and supports e-government initiatives that reflect cross-agency cooperation and citizen-centric development (AGIMO 2003).

In 2004, the Management Advisory Committee followed up with a forthright report on coordination entitled *Connecting Australia: Whole of Government Responses to Australia's Priority Challenges* (MAC 2004). Also in 2004, the Government split NOIE, absorbed it into the Department of Communications, Information Technology and the Arts and created the Australian Government Information Office (AGIMO). AGIMO inherited NOIE's internal coordination tasks. Further, as part of a post-election reshuffle, the Government created in the Finance portfolio a new Department of Human

Services, charged with improving service delivery, and transferred AGIMO to Finance. The impact of these changes is yet to be seen.

After several years and by a zigzag path, the federal Government has put together arrangements that may be able to fulfil Weill and Ross's governance tasks. It has moved from a stance of differentiation and outsourcing to one of collective leadership by department and agency heads. Setting up the Department of Human Services suggests that it may also be willing to tackle the task of integrating services by redesigning their organizational architecture, and in the process reconfiguring the bundles of government services. Putting AGIMO and Human Services together in the Finance portfolio provides a platform for serious reform. Under NOIE the federal model tended to become confederal. Under the new arrangements it has gained a potential center.

C. Victoria

In Victoria, the history of e-government is of initial enthusiastic political leadership, substantial redirection following a change of government, and recent steps to institutionalize political and bureaucratic leadership in the interests of further ambitious initiatives.

In the early 1990s, a neoliberal government created Multimedia Victoria as a new agency to encourage e-commerce and e-government. In 1999, a new government, as noted above, introduced themes of "people-centered government." It recognized also the need for a holistic approach, including

- effective governance—the mandate or authority to act in a given situation, a framework for reporting and accountability, a recognized budget process and reward system;
- business systems—the operating business and decision-making processes that support cross-government activities; and
- physical infrastructure—the ICT and other systems needed to combine agency services for presentation to the community in an integrated way (Government of Victoria 2002: 14-16).

It developed Victoria Online as a joint venture between Multimedia Victoria and the Department of Premier and Cabinet, in conjunction with a range of external stakeholders. The project relied on extensive social research.

Victoria's approach is a counterpoint to its initial centralized, politically led initiatives, with a strategy to link citizens, technology, and community development. However, this strategy was easier to articulate

than to implement. More recently, Victoria has opted for a radical reorganization of decision making. Central to the new arrangements is a new position of system-wide Chief Information Officer (CIO) “to improve efficiency, promote innovative and integrated service and cut waste” (Moran 2003). A new position of Chief Technical Officer (CTO) was also created. The initiative was supported by a report by the Boston Consulting Group (Government of Victoria 2003). The consultants made extensive studies of private sector CIO models and of government ICT management roles that the consultants thought to be overly decentralized.

The office of the CIO is located in the Department of Premier and Cabinet, which, with the Department of Treasury and Finance, provides advice across the full range of government responsibilities. The office of the CTO is located in the Department of Infrastructure. As with NOIE at the federal level, Multimedia Victoria has been divided. The CIO supports an ICT Strategy Project Board at head-of-department level and an ICT Strategy Sub Committee of the Expenditure Review Committee at Cabinet level. Similar central consolidation of roles, consistent with Weill and Ross’s recommendations discussed above, is envisaged for each department and agency.

The Boston Consulting Group consultants made extensive studies of private sector CIO models and of government ICT management roles which the consultants thought to be overly decentralized.

The approach is designed to build a continuing conversation among stakeholders about governance principles and a thorough examination of all existing plans and investments. It includes significant foundation projects, such as a single data center servicing all agencies, a government-wide document management system, and a shared application hosting environment (Office of the Chief Information Officer 2004; Woodhead 2004).

The foundation CIO received praise for his diplomatic approach to securing the support of secretaries of departments: “he accepted they held unambiguous accountability for the outcomes of their departments. He adopted mechanisms to make allies rather than trying to wrest power from them” (King 2005).

In the words of the foundation CIO, He argued that the approach provides strong reasons for people to work together (Woodhead 2004):

What we’ve established are mechanisms for ensuring that agencies have discretion in regard to the evolution of decisions that their operations depend on, but in exercising that delegation we reversed the onus of proof. We essentially said that secretaries are to have regard to plan developments and to demonstrate why non-compliance would be beneficial (Woodhead 2004).

In terms of Weill's and Ross's archetypes, the approach places strong emphasis on joint decision making based on shared understandings of complex patterns of interdependence. It aspires to a federal model in which business and IT infrastructure needs are bound tightly together.

In the short run, the results of the Victoria initiatives are ambiguous. Two other states have followed Victoria's appointment of a CIO with overall responsibility for ICT. However, in Victoria itself, the foundation CIO resigned unexpectedly after less than a year. While the government promptly appointed a respected replacement, speculation has continued about the viability of the role. Such speculation is fuelled by the high turnover of CIOs in both business and government in Australia (King 2004, 2005). However, how to make CIO positions a part of stable top management teams remains vigorously contested.

In different ways, the federal government in Australia and the government of Victoria have raised the priority of IT governance in plans for e-government. They have accepted that it is essential to align IT infrastructure with business needs. Like Weill and Ross, they have tried to solve the puzzle of how to encourage creativity by allowing discretion while ensuring effectiveness by providing leadership.

IV. Reconnecting Citizens and Governments?

The cumulative impact of e-government initiatives holds out the prospect of creating substantial public value. Recent initiatives in Australia recognize the need to provide citizens not only with improved services but also with improved opportunities for participation.

Strengthening links between the current internal focus on IT governance and the benefits made available to citizens will become urgent. E-initiatives will promote new agendas of relationship management and institution building. Five examples make this clear.

First, initiatives in single electronic transactions, including procurement and licensing, improve transparency, accountability, and timeliness in decision making. Some citizens will be satisfied with quick, fair decisions. Others will want to develop wider agendas of transparency and accountability.

Second, looking at government services as retail operations has led to initiatives in service integration. Such integration has proved harder than it looked because service redesign leads to agency redesign. In turn, agency redesign changes relationships with users.

Third, sharing information within the public sector raises questions about accuracy, security, and privacy. Within government, sharing information

poses challenges of technology and management. Information once gathered can be shared and analyzed. Aggregating information can itself create new information. In turn, this may lead to new policy and management options. However, within the community, such activity raises questions of accuracy, security, and privacy. High value is placed on ensuring that information shared is accurate, that it is not shared between organizations serving conflicting interests, and that personal information is not shared without safeguards. How to determine citizen preferences about what can be shared and what must be kept private is emerging as a task of strategic importance.

Fourth, experiments with e-consultation and e-democracy join e-government agendas with wider agendas about new forms of national governance. As Canada has shown, citizen surveys can help shape effective e-initiatives. Weill and Ross and recent Australian initiatives acknowledge the need for stakeholder involvement. So far, experiments with e-democracy are modest. However, together with other e-initiatives, especially about the management of information, they have the potential to raise new agendas. These include demands to renegotiate relations between executives, legislatures, and the citizens on whom both executives and legislatures depend.

Fifth, e-initiatives have the potential to transcend national boundaries. So far the strongest impacts on organizational boundaries have concerned agencies in government. Initiatives to integrate services have already led to questions about the realignment of responsibilities within federal systems. In Australia, relations between federal and state levels of government have swung between competition and collaboration. Current relationships are strongly competitive. Building integrated e-government initiatives will depend on negotiating a new agenda for collaboration. This suggests that similar attempts to collaborate between national governments are likely to open up substantial new agendas.

Many discussions of e-government have kept it quite separate from agendas in e-governance. This discussion suggests that these agendas are already merging.

V. Conclusion

This discussion has examined the challenges for governments of making effective connections between technology and business strategy against the background of early, ambitious claims for e-government. It suggests that internal agendas about IT governance connect with wider issues of national and international governance.

It concludes that, at present, interactions between citizens, the institutions of government, and ICT raise more agendas than governments can handle.

However, trying to find ways through these agendas is to confront questions of wide interest to citizens. At the very least, e-government thus helps improve governance and services by asking questions.

This discussion also makes clear that the most successful structures for managing e-government are likely to be based on carefully balanced federal models. Agency-specific approaches with weak coordination lend themselves to a transactional approach to service delivery and to e-government more generally. Such approaches understate the potential of both e-government and good governance.

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Rural Poverty Alleviation in India: An Assessment of Public Programs

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I. Data and Methodology

This study is based on secondary data. The data have been compiled from various sources such as publications of the Planning Commission of India (1993, 2001, 2002), Census of India, Central Statistical Organisation of India, Reserve Bank of India (1999), and Government of India (2000, 2003, and 2004). After a careful review of the literature on rural poverty (Subbarao 1985; Alhuwalia 1986; Bardhan 1986; Desai 1986; Mellor 1986; Mellor and Desai 1986; Vyas 1986; Hirway 1988; Hirway et.al. 1990; Minhas, Jain, and Tendulkar 1991; Rao 1992; Planning Commission 1993, 2002; Vyas and Sagar 1993; Kannan 1995; Parthasarathy 1995; Dev and Ranade 1997; Dreze and Sen 1999; Vyas and Bhargava 2000; Deaton and Dreze 2002; Srinivasan 2002; Basu 2003; Government of India 2004), it is hypothesized in this study that alleviation of rural poverty depends upon both public policy and socioeconomic factors. The public policy factors include direct poverty alleviation programs, rural housing for the poor, public distribution systems, and loans by regional rural banks. The economic and social variables that influence rural poverty are rural nonfarm employment and rural literacy. With a view to capturing the overall contribution of all the policy variables and also that of other variables relating to the alleviation of rural poverty, multiple regression analysis has been used in this study.

For regression analysis, state-level data covering 14 major states have been used. Regression analysis has been carried out at 2 levels. At level 1, only policy variables are included in the model. The regression results of this level should help to identify the impact of public programs on rural poverty alleviation. At level 2, variables other than policy variables are also included. The results of this model should help to identify the collective role of both policy and nonpolicy variables in rural poverty alleviation.

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In addition to regression analysis, statistical techniques such as percentage, means, standard deviation, coefficient of variation (CV), and correlation have also been used to analyze the data.

II. Public Programs For Rural Poverty Alleviation: An Overview

The prominent direct rural poverty alleviation programs in India can be grouped into four categories:

- i) wage employment programs,
- ii) self-employment programs,
- iii) rural housing, and
- iv) public distribution systems.

A. Wage Employment Programs

The federal Government has launched various wage employment programs from time to time. The important wage employment programs include Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Jawahar Gram Samridhi Yojana (JGSY) and Sampoorna Grameen Rozgar Yojana (SGRY). With a view to improving the effectiveness of these programs, from time to time the government has merged programs, restructured them, and also redesignated a couple of them. At present the SGRY is the only major wage employment generation program. It was launched in September 2001, by restructuring the erstwhile Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS). It has two streams, namely, EAS/SGRY-I and JRY/JGSY/SGRY-II.

The objective of SGRY is to provide additional wage employment in rural areas as well as maintain food security and create durable community, social, and economic infrastructure. The rural poor who are in need of wage employment and desire to do manual and unskilled work in and around the village/habitat are eligible to get benefits from the SGRY. The scheme aims to generate 100 *crore* (1 billion) man-days of employment in a year. Central and state governments share the cost of each component in the ratio of 75:25 (Government of India 2003, 2004).

With a view to promoting participatory democracy and decentralization, the activities under SGRY are implemented by the Gram Panchayat (village-level democratically elected government). The District Rural Development Agencies (DRDAs)/Zila Parishad (ZPs) (democratically elected bodies at the

district level) release funds directly to the Gram Panchayat. On the basis of the expressed needs of the area/people, the Gram Panchayat formulate the Annual Action Plan and implement activities with the approval of the Gram Sabha, the village assembly consisting of all eligible voters. Overall guidance, coordination, supervision, and periodical reporting are the responsibility of the DRDAs/ZPs.

Table 1 shows a comparative picture of targets and achievements of various wage employment programs. In most cases, the achievements clearly fall short of the targets.

B. Self-Employment Programs

The wage employment generation program mainly supplements the earnings of agricultural labor during lean seasons. However, the extent and nature of unemployment and underemployment in rural India necessitates having programs that aim to create assets for generating self-employment on a sustained basis. With this in view, the Government has introduced a number of programs like the Integrated Rural Development Programme, Training of Rural Youth for Self-Employment, Development of Women and Children in Rural Areas, the Ganga Kalyan Yojana, the Million Wells Scheme, and Supply of Improved Toolkits. Empirical evidence suggested that each program, instead of strengthening other programs through intended linkages, gradually started operating as a separate and independent program and as a consequence, the substantive issue of sustainable income generation was lost in the process (Government of India 2000). Recognizing this inadequacy of self-employment generation programs, the Government decided on 1 April 1999 to launch a new self-employment program, Swarn Jayanti Gram Swarozgar Yojana (SGSY), by merging earlier programs.

The major objective of SGSY was to bring every assisted family or group (self-help group) of rural poor above the poverty line within 3 years through the promotion of self-employment generation opportunities on a sustainable basis. Under this program, preference was given to those activities that generate self-employment in the vulnerable groups among the rural poor like the Scheduled Castes/Scheduled Tribes and women.

The SGSY envisaged providing sustainable income through micro-enterprise development, both land-based and other. For this purpose, effective linkages were established between capacity building of the poor, credit, technology, marketing, and infrastructure.

The SGSY preferred activities to be undertaken through a group approach, with a stipulation that 40% of all self-help groups should be composed

Table 1. Physical Performance of Special Employment and Rural Poverty Alleviation Programs
(millions)

Programs		Year											
		1993-94		1994-95		1995-96		1996-97		1997-98		1998-99	
		T	A	T	A	T	A	T	A	T	A	T	A
Wage Employment Programs	JRY/JGSY/SGRY - II ^b - Persondays of employment generated	1038.3 3	1025.8 4	986.55	951.71	848.01	895.83	414.14	400.63	386.70	395.80	396.66	375.21
	EAS/SGRY- I ^c - Persondays of employment generated	a	49.47	a	273.96	a	346.52	a	403.00	a	471.77	a	416.53
Self Employment Programs	SGSY ^d - total Swazogaris assisted	-	-	-	-	-	-	-	-	-	-	-	-
	IRDPP	2.57	2.54	2.12	2.22	*	2.09	*	1.92	*	1.71	*	1.66
	TRYSEM	0.35	0.303	0.32	0.28	0.35	0.302	0.29	0.36	0.30	0.25	0.29	0.17
	DWCRA Groups formed	0.011	0.015	0.013	0.038	0.03	0.038	0.03	0.04	0.03	0.03	0.06	0.05
	Membership	a	0.27	a	0.59	a	0.69	a	0.58	a	0.46	a	0.50
Rural Housing Program	IAY-Dwelling Units	-	-	-	-	1.15	0.86	1.12	0.80	0.72	0.77	0.99	0.83

Table 1. Physical Performance of Special Employment and Rural Poverty Alleviation Programs (continued)
(millions)

Programs		Year									
		1999-2000		2000-01		2001-02		2002-03		2003-04	
		T	A	T	A	T	A	T	A	T	A
Wage Employment Programs	JRY/JGSY/SGRY - II ^b – Persondays of employment generated	a	268.3	a	268.29	a	262.42	a	297.97	a	391.65 ^p
	EAS/SGRY- I ^c – Persondays of employment generated	409.16	278.6	259.45	218.39	339.19	260.55	a	306.67	a	372.83 ^p
Self Employment Programs	SGSY ^d – total Swarozgaris assisted	a	0.94	a	1.09	a	0.94	a	0.6	a	0.86
Rural Housing	IRDP	-	-	-	-	-	-	-	-	-	-
	TRYSEM	-	-	-	-	-	-	-	-	-	-
	DWCRA	-	-	-	-	-	-	-	-	-	-
	Groups formed	-	-	-	-	-	-	-	-	-	-
	Membership	-	-	-	-	-	-	-	-	-	-
Program	IAY-Dwelling Units	1.27	0.93	1.24	1.29	1.29	1.17	1.39	1.06	1.48	1.25 ^p

A = achievements; DWCRA = Development of Women and Children in Rural Areas; IAY = Indira Awas Yojana; JRY = Jawahar Rozgar Yojana; JGSY = Jawahar Gram Samridhi Yojana; SGRY = Swarnajayanti Grameen Rozgar Yojana; EAS = Employment Assurance Scheme; SGSY = Swarn Jayanti Gram Swarozgar Yojana; IRDP = Integrated Rural Development Programme; T = targets; TRYSEM = Training of Rural Youth for Self-Employment; – = data not available.

Notes: ^a Targets were not fixed. ^b JRY was restructured and renamed Jawahar Gram Samridhi Yojana (JGSY) from April 1999 and after that, JGSY was merged into Swarn Jayanti Grameen Rozgar Yojana (SGRY) with effect from 2001/2002 and is now SGRY II. SGRY is a self-targeting scheme. ^c EAS has been merged into SGRY with effect from 2001/2002 and is now SGRY-I. SGRY is self-targeting scheme. ^d IRDP and its allied programs like TRYSEM, DECRA, etc. have been merged into SGSY, which was introduced from April 1999.

Source: Government of India various years.

exclusively of women. The SGSY also preferred activity clusters. Under the activity cluster approach, the Block SGSY Committee identified four to five activities appropriate to the resource base for each block (cluster of villages). This committee for the identification of cluster activities also made use of potential link plans prepared by National Bank for Agriculture and Rural Development, annual credit plans of commercial banks, and surveys carried out by technical organizations. The expertise of officials on local Khadi (a coarse homespun cotton cloth made in India) production and Village Industries and District Industry Centres was also available to the Block SGSY Committee.

The DRDA implemented the SGSY in association with the Panchayati Raj Institutions, particularly the Panchayat Samiti (the second tier of rural democratically elected bodies having headquarters at the block level), the banks, the line departments, and the nongovernment organizations.

Under SGSY, the central and state governments shared the funds in the ratio of 75:25.

Table 1 reveals that except in a couple of years, the targets for self-employment programs also have not been achieved.

C. Rural Housing

The 1991 Census data revealed that around 3.1 million households were without shelter and another 10.31 million households resided in unserviceable *kutcha* (mud) houses (Government of India 2003). In view of the magnitude and severity of the problem, the central Government in 1998 announced a National Housing and Habitat Policy aiming to provide "Housing for All" and also facilitate construction of 2 million additional housing units annually (out of which 1.3 million were to be in rural areas and 0.7 million in urban areas), with an emphasis on extending benefits to the poor and the deprived (Government of India 2003). The major rural housing programs under the Action Plan for Rural Housing are Indira Awaas Yojana (IAY), Credit-Cum-Subsidy Scheme for Rural Housing, Innovative Stream for Rural Housing and Habitat Development, Rural Building Centres, Samgara Awaas Yojana, enhancement of equity contributions by the Ministry of Rural Development to the Housing and Urban Development Corporation, and the National Mission for Rural Housing and Habitat.

IAY is the most important component of the Action Plan. It was launched in 1985–86 aiming to provide dwelling units free of cost to below-poverty-line (BPL) families, subject to the condition that non-Scheduled Caste/Scheduled Tribe families do not receive more than 40% of program allocations

(Government of India 2003; Government of India 2004). Beneficiaries under IAY are selected by the Gram Sabha.

Table 1 shows that targets for rural housing were not fully achieved except during 1997–98 and 2000–2001.

D. Public Distribution Schemes

The major objective of the Public Distribution System (PDS) is to provide food security to the poor by supplying food grains to them at subsidized prices. PDS, started during World War II, is one of the oldest and largest systems of its type in the world and has a network of around 500,000 fair price shops. These shops annually distribute food grains worth Rs300 billion. About 160 million BPL households are the beneficiaries of PDS both in urban and rural India. With a view to plugging the leakages in the PDS and specially targeting the poor, the PDS was revamped under the Target PDS (TPDS) in June 1997. In the new scheme, each poor household is entitled to 25 kgs of food grain per month at prices that are less than half the economic cost. For the poorest of the poor families (i.e., the most vulnerable sector of society), the price charged is less than one fourth the economic cost (Planning Commission 2001). In rural India, the beneficiaries of TPDS include landless agricultural laborers, marginal farmers, and rural artisans/craftsmen such as potters, weavers, blacksmiths, and carpenters.

III. Rural Poverty Across States

The proportion of the BPL rural population at the national level has declined consistently over time (Table 2). In 1973–74, more than half of the rural population (56.44%) was BPL. This percentage has declined to one fourth (27.10%) during 1999–2000. The absolute numbers of the BPL rural population have also declined, from 261.3 million in 1973–74 to 193.2 million in 2000–2001.

A close look at interstate variations in estimates of rural poverty shows that in 1973–74, four states, namely Bihar, Madhya Pradesh, Orissa, and West Bengal, had a high (above 60%) percentage of BPL rural people (Table 3). States such as Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka, Andhra Pradesh, Gujarat, and Haryana belonged to the medium level of rural poverty (i.e., 30–60% BPL). Punjab, with 28.21% was the only low rural poverty (below 30%) state.

Table 2. All-India Rural Poverty Estimates

Year	Poverty Lines (Rs monthly per capita)	Poverty Ratio (percentage)	Number of Poor (millions)
1973-74	49.63	56.44	261.3
1977-78	56.84	53.07	264.3
1983-84	89.50	45.65	252.3
1987-88	115.20	39.09	231.9
1993-94	211.30	37.27	244.0
1999-2000	327.56	27.10	193.2

Source: Planning Commission 2002.

After a gap of about 25 years (i.e., in the years 1999–2000), the states of Orissa, Bihar, Madhya Pradesh, and West Bengal remained in the high rural BPL category, i.e., above 30% (Table 3). Uttar Pradesh was the new entry in this category. Maharashtra, Karnataka, and Tamil Nadu were in the medium category (between 15–30%) of poverty states. The low level of poverty (below 15%) was a feature of Rajasthan, Gujarat, Andhra Pradesh, Kerala, Haryana and Punjab. Interestingly Punjab again had the lowest (6.4%) rural population below poverty line.

Table 3. Percentage of Rural Population Below the Poverty line by Selected States

States	1973-74	1977-78	1983-84	1987-88	1993-94	1999-2000
Andhra Pradesh	48.41	38.11	26.53	20.92	15.92	11.2
Bihar 62.99	63.25	64.37	52.63	58.21	44.3	
Gujarat	46.35	41.76	29.80	28.67	22.18	13.2
Haryana	34.23	27.73	20.56	16.22	28.02	8.3
Karnataka	55.14	48.18	36.33	32.82	29.88	17.4
Kerala	59.19	51.48	39.03	29.10	25.76	9.4
Madhya Pradesh	62.66	62.52	48.90	41.92	40.64	37.1
Maharashtra	57.71	63.97	45.23	40.78	37.93	23.7
Orissa	67.28	72.38	67.53	57.64	49.72	48.0
Punjab	28.21	16.37	13.20	12.60	11.95	6.4
Rajasthan	44.76	35.89	33.50	33.21	26.46	13.7
Tamil Nadu	57.43	57.68	53.99	45.80	32.48	20.6
Uttar Pradesh	56.53	47.60	46.45	41.10	42.28	31.2
West Bengal	73.16	68.34	63.05	48.30	40.80	31.9
India	56.44	53.07	45.65	39.09	37.27	27.1

Source: Planning Commission 2002.

The foregoing analysis shows that rural poverty has declined in all the states, but at different rates. This trend has resulted in the perpetuation of interstate disparities in rural poverty. This is confirmed by the notable increase in the value of CV of rural poverty from 22.97% in 1973–1974 to 60.84% in 1999–2000 (Table 4).

Table 4. Mean, Standard Deviation, and Coefficient of Variation of Rural Poverty in India: Selected States

Year	Mean	Standard Deviation	CV
1973–74	53.8607	12.3734	22.97
1977–78	49.6614	16.3345	32.89
1983–84	42.0336	16.6581	39.63
1987–88	35.8364	13.4769	37.61
1993–94	33.0164	12.7901	38.74
1999–2000	22.6000	13.7497	60.84

Source: Computed by the authors.

IV. Assessment of Public Programs for Rural Poverty Alleviation

Rural poverty alleviation is affected by a variety of factors. In the study, as mentioned in the methodology section, the factors affecting the reduction of rural poverty have been classified into two categories. The first set of factors is from the public policy domain. It includes wage employment and self-employment programs, rural housing, credit advanced by regional rural banks (RRBs), and the PDS. The second set of variables has its roots in socioeconomic development and includes the variables of rural nonfarm employment and rural literacy.

In order to investigate the combined role of these variables and also the role of each independent variable in explaining variations in rural poverty for the year 1999–2000, correlation and regression analyses have been carried out by using state-level data. The variables included in the model are given as

- Y the percentage of rural people below the poverty line;
- X1 per capita expenditure on wage employment and self-employment programs for the rural poor (in rupees);
- X2 per capita expenditure on rural housing programs for the rural poor (in rupees);

- X3 per capita monthly supply of rice and wheat for rural BPL people under the PDS (in kilograms [kg]);
 X4 per capita advances by RRBs to the rural poor (in rupees);
 X5 rural nonfarm employment (%);
 X6 rural literacy (%).

The correlation coefficients between rural poverty and other variables are shown in Table 5. All the variables have negative correlation with rural poverty. However, three variables—per capita expenditure on wage employment and self-employment programs, per capita monthly PDS supply of rice and wheat, and per capita advances by RRBs—have very high and significant (1% level) negative correlation with rural poverty. Of the remaining three variables, two—rural nonfarm employment and rural literacy— have low negative correlation with rural poverty, which is significant at the 5% level. The third variable—per capita expenditure on rural housing programs—has a very low negative correlation with rural poverty, which is significant at the 10% level.

Table 5. Correlation Matrix

Variable	Y	X1	X2	X3	X4	X5	X6
Y	1.000						
X1	-.735	1.000					
X2	-.413	.639	1.000				
X3	-.790	.612	.538	1.000			
X4	-.725	.681	.590	.583	1.000		
X5	-.476	.374	.405	.428	.493	1.000	
X6	-.455	.286	.355	.355	.370	.816	1.000

Source: Computed by the authors.

Regression analysis has been used to identify the extent of cause and effect relationships between rural poverty (dependent variable) and independent variables. As mentioned in the methodology, regression analysis has been carried out at two levels. The results of first level of regression analysis having policy variables as follows:

Regression Equation I

$$Y = 47.45 - 0.0491X1 + 0.128X2 - 2.094X3 - 0.005X4$$

(8.385) (-1.716)** (1.622)** (-2.744)* (-1.665)**

$$R^2 = 0.816$$

$$\text{Adjusted } R^2 = 0.734$$

Figures in parentheses are t-values

* Significant at 5% level.

** Significant at 20% level.

Regression Equation I shows that the public policy variables included in the model together explain about 81% of the total variation in the dependent variable (i.e., rural poverty). These results further suggest that three policy variables—per capita expenditure on wage employment generation and self-employment programs, per capita monthly PDS supply of rice and wheat, and per capita advances by RRBs—help in reducing rural poverty. The positive impact on rural poverty reduction of distribution of food grains to the rural poor at subsidized prices is significant at the 5% level. The positive influence on rural poverty reduction of the remaining two policy variables is significant at the 20% level. However, the fourth policy variable—per capita expenditure on rural housing programs—adversely affects rural poverty. The negative impact of this program on rural poverty reduction is significant at the 20% level.

Regression Equation II

$$Y = 40.21 - 0.0447X_1 + 0.134X_2 - 2.451X_3 - 0.004X_4 - 0.239X_5 + 0.290X_6$$

$$(2.510) \quad (-1.386) \quad (1.547)^{**} \quad (-2.234)^* \quad (-1.156) \quad (-0.789) \quad (0.608)$$

$$R^2 = 0.831$$

$$\text{Adjusted } R^2 = 0.686$$

Figures in parentheses are t-values

* Significant at 5% level.

** Significant at 20% level.

Regression Equation II reveals that the variables included in the model together explain about 83% of the total variation in the dependent variable (i.e., rural poverty). Four variables—per capita expenditure on wage employment generation and self-employment programs, per capita monthly PDS supply of rice and wheat, per capita advances by RRBs, and rural nonfarm employment—help in reducing the percentage of rural poor. In this model, the positive impact of supply of food grains to the poor at reduced prices under PDS on rural poverty is also significant at the 5% level.

The influence of the remaining three variables, however, is positive but insignificant. The regression results further show that two variables—per capita expenditure on rural housing programs and rural literacy programs—cause increases in rural poverty. The negative impact of rural housing programs on rural poverty reduction is significant at the 20% level. The positive relationship between the rural housing variable and rural poverty reduction is partly due to the leakages of funds given to rural BPL people for the construction of their houses and the identification of the wrong or fake beneficiaries under this scheme (Policy and Development Initiatives 2000; Bhargava and Sharma 2002; Dev and Rao 2002). On the other hand, the positive relationship between rural literacy and rural poverty may be due to skewedness in rural literacy statistics that cover mainly the nonpoor rural population.

V. Conclusions and Policy Recommendations

In India, the proportion of rural BPL people has declined over time. The same trend is noticeable in all the selected states. The pace of decline, however, has varied considerably across states. Kerala has experienced maximum decline (49.79%), whereas Bihar has witnessed minimum decline (18.69%) between the study periods. Though the declining trend is noticeable in most of the states over time, interstate disparities have widened.

Factors such as per capita public expenditure on wage employment and self-employment programs for the rural poor; per capita monthly PDS supply of rice and wheat for rural BPL people, per capita advances by RRBs to the rural poor, and rural nonfarm employment have helped in reducing the percentage of rural poor in the country. In contrast, rural housing schemes and rural literacy programs have adversely affected rural poverty.

From the policy perspective, the study recommends allocation of more public funds for wage employment and self-employment programs and for the PDS. Nonfarm activities should be promoted in the villages to provide employment to the rural poor. The number of rural regional banks should also be increased; this would play an important role in reducing the numbers of the rural poor. The leakages and corruption in housing programs for the rural poor need to be reduced or stopped, with a view to improving their delivery. Introduction of a focused literacy program for the rural poor could also help in mitigating rural poverty in India.

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Improving Public Service Delivery Through Bureaucracy Reform

AWANG ANWARUDDIN¹

I. The Picture of Public Service Delivery in Indonesia

Public service may be defined as all activities delivered by government to fulfill those needs that society requires to go through life. In practice, the activities of the public service in Indonesia may be described in terms of characteristics and types of public service institutions, patterns of service delivery, performance of public service, and indicators of customer satisfaction.

A. Characteristics of Public Service

As to its functions as a part of government system, the present public service institutions in Indonesia have six characteristics (LAN 2003:15):

- i) they operate on the basis of clear legal conditions;
- ii) they cover a wide area of importance, including the target group of delivery;
- iii) they include both commercial and social functions;
- iv) they demand to be accountable to the public;
- v) their transparency of work performance is questionable; and
- vi) they often become the target of political issues.

The public service institutions in Indonesia are mostly state-owned corporations (*Badan Usaha Milik Negara*–BUMN) or local government-owned corporations (*Badan Usaha Milik Daerah*–BUMD) with a clear legal basis and a target group: for instance, the State Electric Company (*Perusahaan Listrik Negara*–PLN), for electric power, PT Telkom for telephone service, Local Water Supply Company (*Perusahaan Air Minum*–PAM) for water supply, and so forth. In some cases, several institutions carry out both commercial

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and social functions: The Train Company Limited (*PT Kereta Api Persero*), for example, has to provide transportation for both the lower and higher levels of society.

All public service institutions, like other government organizations, have to report their performance to the public. In an effort to accelerate the realization of good governance, the Government has drawn up a model performance accountability report designed by the National Institute of Public Administration (Lembaga Administrasi Negara-LAN).

B. Types of Public Service

Based on its delivery products, public service in Indonesia may be divided into three types: i) *administrative service*, including various kinds of formal documents, such as status of citizenship, competency certificate, land certificate, driver's license, and marriage or birth certificates; ii) *goods service*, facilitating various needs, such as distribution of food and meeting daily needs, or installation of telephone, water, or electricity networks; and iii) *facilitating service*, concerning various kinds of public facilities, such as education, health care, the post, and transportation.

C. Patterns of Public Service Delivery

In practice, the implementation of such services comprises three patterns of delivery: i) *functional delivery*, carried out by a specific institution in line with its tasks, functions, and responsibilities, for instance, electricity supply by PLN, telephone distribution by PT Telkom, water supply by PAM; ii) *centralized delivery*, involving authorized institutions, for instance, the Immigration Office for the issuance of passports, the Civil Administration Office for birth certificates, the Religion Office for marriage certificates, etc.; and iii) *combined delivery*, involving several institutions in one place, for instance, the Police Department and local government, for issuance of a car ownership certificate.

D. Performance of Public Service

To meet the increasing demand for better public service performance, the Government is applying the customer-driven paradigm (inspired by Osborne and Gaebler [1992]).² This approach, as suggested by the Government, has the following characteristics:

- i) a focus on the delivery function;
- ii) a focus on the empowerment of society;
- iii) the application of a competitive system;
- iv) a focus on the accomplishment of a vision, mission, goal, and objectives;
- v) prioritization of the needs of society, not merely the wants of political leaders;
- vi) institutional rights, in certain situations, to generate incomes from the service;
- vii) prioritization of efforts to prevent incoming problems for the public service; and
- viii) use of the market system to facilitate the service.

E. Indicators of Customer Satisfaction

To develop a model of public service characterized by the customer-driven approach, the Government drew up the General Guidance for Public Service Implementation, consisting of 15 criteria as follows (Ministry of State Apparatus Reform 2003):

- i) *Simplicity*: the mechanism of public service should be easy, cheap, fast, and convenient, characterized by a simple procedure.
- ii) *Reliability*: the public service should show a sustained consistency of performance, with interdependence maintained between customers and service providers in such matters as accuracy in accounting and data citation and punctuality.
- iii) *Responsibility*: service executors should carry out their duties truthfully, informing the customers when something happens incorrectly.
- iv) *Capability*: service executors should have skills and knowledge necessary to give good service to their customers.

² The customer-driven model is one of ten paradigms on public service delivery offered by David Osborne and Ted Gaebler (1992).

- v) *Closeness to the customer*: service executors should facilitate contacts with their customers, either through direct meetings or via telephone or internet.
- vi) *Kindness and patience*: service executors should be kind and patient when dealing with their customers. This will be very helpful to create friendship with them.
- vii) *Transparency*: customers should be able to access easily any information needed, such as the service procedure, requirements, and time of service accomplishment, cost, and so forth.
- viii) *Communicativeness*: good communication between service executors and their customers should be created truthfully, so any information can be obtained properly using easily understandable language.
- ix) *Credibility*: any public service should be based on truth and honesty in order to maintain the customer's loyalty to the service provider.
- x) *Clarity and certainty*: the procedure, details of service cost and method, and time of accomplishment should be clear and in logical order to assure the customers about the service.
- xi) *Security*: service providers should free their customers from such insecure feelings as danger, risk, and doubt, especially concerning their physical and financial security.
- xii) *Understanding what customers expect*: understanding customer expectation could be initiated by analyzing their specific needs and paying attention to individuals.
- xiii) *Reality*: service providers should build trust with their customers by showing the real evidence or clear signs of their service, such as physical facilities, professional staff, badges, and other supporting facilities
- xiv) *Efficiency*: the service requirements should be limited to those directly concerned with the achievement of the service target, by keeping up the harmonious relationship between the requirements of service and the products.
- xv) *Economic*: maintaining the cost charge in line with the value of the product and the capability of customers to pay the service provided is very important.

The 15 principles above should have been more than enough to realize an ideal model of public service. However, the implementation of the principles depends a lot on the service institutions. They are free to choose any number of the principles that comply with the types, characteristics, and patterns of service delivery. Consideration should also be given to the situation and condition where the public services take place.

II. The Condition of the Bureaucracy in Indonesia

As of the 5th year of the reformation era (1988), the bureaucracy had not shown significant improvement. As noted by Kwik Kian Gie (2003a), indications of the failure might be shown by the higher ratio of corruption, collusion, and nepotism; the inefficiency of central and local government institutions; lowered public service performance, and the weak functioning of monitoring institutions. It is not surprising that in 2003 President Megawati said that “the performance of the bureaucracy is awkward, uncontrollable, and lacking in initiative to carry out the state agenda.” More recently, President Susilo aims to focus on demolishing the practices of corruption, collusion, and nepotism in his 100-day agenda of reformation.

It seems that the function of the bureaucracy as “an institution with a certain position and role in running the government administration of the country” (Mustopadidjaja 2002), or simply as “a means by which government rules” (Kilcullen 1966), has not been carried out optimally. The bureaucracy has not really carried out its main duty to fulfill the needs of society and to empower society so its members are capable of carrying out activities on their own. One of the causes of this unprofessionalism is the disharmony between authority, rights, and responsibilities among the bureaucracies.

On the other hand, the principles of Weberian bureaucracy seem to be in use in the Indonesian bureaucracies. As we all know, Max Weber, the great German sociologist, summed up the principles by which most government institutions were structured:

- Bureaucratic institutions are centralized and hierarchical. “The lower institution is under control of the upper bureaucracy” (Blau and Meyer 2000).
- The professional bureaucrat is then “...only a single cog in an ever-moving mechanism which prescribes to him an essentially fixed route of march” (Osborne and Plastrik 1997).
- Bureaucrats are impersonal, *sine ira et studio*, working without enthusiasm or affection and offering to everyone the same treatment or service, which was “more or less stable, more or less exhaustive” (Weber 1987).
- Staff are chosen on the basis of examinations, not subjective criteria. “Their carrier system was based on seniority or performance, or both” (Kilcullen 1966).

These principles might have worked well in Weber’s day, when the tasks were relatively simple and straightforward, and the environment was

stable. But for the last 20 years it has been coming apart. The world has changed rapidly: the situation is characterized by technological revolution, global economic competition, demassified markets, educated workforces, demanding customers, and severe fiscal constraints. Bureaucracy has become too slow, too unresponsive, and too incapable of changing or innovating (Osborne and Plastrik 1997).

The disharmony between the manner of traditional bureaucracy and a changing world more or less causes the poor performance of government bureaucrats—biased, apathetic, or unmotivated to carry out their tasks and responsibilities. Therefore, strategic and radical efforts should be made to improve the performance of bureaucracy, especially to develop an expected model of public service.

A. The Corruption Issue Within Bureaucracies

Corruption might be defined as “impairment of integrity, virtue, or moral principles characterized by bribery or other unlawful or other improper means” (Merriam-Webster Dictionary, 1977). In simpler words, Klitgaard (1996) states that corruption is “...the misuse of office for unofficial ends, covering bribery, extortion, influence-peddling, nepotism, kickbacks, speed money, collusion and more.” In Indonesia’s term (Law No. 31, [1999]) on the Abolition of Corruption), corruption means “all actions against the law that afflict state finances or economy.”

Corruption started growing in the 1970s, when loans from development partner countries began flowing through this developing country, without any societal control over the governing bureaucracies (Atmasasmita 2003). During this era, the practices of corruption were generally committed by bureaucracies in the central Government, and were mostly unrevealed because the government system was semi-centralized and the policy gave priority to national unity and integrity. Only some sensational cases emerged, such as the case of Pertamina (National Oil Corporation) during the administration of Ibnu Sutowo.

Along with the arrival of globalization, people began critically and bravely revealing various instances of corruption committed by top-level bureaucracies, for instance, the case of General Attorney Andi Ghalib, which was revealed by the nongovernment organization (NGO) *Indonesian Corruption Watch*. The most sensational case was the revelation of corruption, collusion, and nepotism committed by ex-President Suharto together with his family and colleagues. This tragical story finally ended with his retreat from the presidential chair on 21 May 1998.

However, the end of the 32-year Suharto dictatorship does not mean that the cases of corruption have ended as well. On the contrary, since the Government put the local autonomy policy into effect in 2000, corruption simply decentralized all around the country. Corruption is no longer just the perquisite of central bureaucracies, as during the Suharto era, but has spread to local bureaucracies, from the mayors, regents, and governors up to members of Parliament!

As presented in Table 1, the loss of state funds because of corrupt practices might be divided into four categories: *first*, stolen sand, fish, and logs; *second*, various unsubmitted tax receipts; *third*, subsidies to already healthy banks; and *fourth*, the loss of 20% of the national budget (Syafi'i Ma'arif 2003). Kwik Kian Gie (2003b) also revealed the same phenomena as presented in Table 1.

Table 1. Estimated Amount of Corrupted State Finances 2003

Materials Corrupted	Money Value (in US\$) ^a
• Stolen sand, fish, and logs	US\$9 billion
• Various unsubmitted tax receipts	US\$24 billion
• Subsidy to already healthy banks	US\$4 billion
• Loss of 20% of the 2003 national budget of US\$ 37.000.000.000	US\$7.4 billion
Total	US\$ 44.4 000.000.000 > 2003 national budget

Note:^a The average conversion in 2003 for US\$1 was about Rp10,000.

Source: Kwik Kian Gie 2003b.

Analyzing the figures in Table 1, it is not surprising that Transparency International (TI) recently described Indonesia as being among the most corrupt countries in the world. According to the Corruption Perception Index (CPI) 2004 as reported by TI, Indonesia ranked 133rd among 146 countries surveyed in 2004, included in the fifth group of the most corrupt countries together with Turkmenistan, Tajikistan, Angola, Democratic Republic of Congo, Ivory Coast, and Georgia. In Asia, however, Indonesia ranked third after Bangladesh and Myanmar.

In addition, the results of the *Political and Economic Risk Consultancy 2003* survey and *The World Competitiveness Yearbook 2003* published by the Institute for Management Development (reported in Kwik Kian Gie 2003b)

shows that the performance of the bureaucracy in Indonesia is counted the worst together with those of Viet Nam and India. This shows that, while in fact bureaucratic reform is also needed to realize clean and good governance, the Indonesian Government has not made the agenda of bureaucracy reform its first priority. Several regulations on the suppression of corruption issued by the Government, such as Law No 31 (1999) on the Abolition of Corruption, seem to have had no effect. Therefore, most Indonesians are waiting for better tactics and strategy from the newly-elected President Susilo to abolish corruption from Indonesia, as promised in his 100-day agenda.

B. Institutional and Managerial Problems with Bureaucracy

Apart from the corruption issue, as discussed above, several problems concern themselves with the institution and management of bureaucracy. Bureaucracies in both central and local government are now getting bigger and fatter. In such conditions, bureaucracies become inflexible and slow in anticipating emerging problems. The excessive number of bureaucracies, in most cases, happens because the focus of institution formation is on the institutional framework, neglecting the number and qualifications of personnel, systems of decision making, systems of institutional communication, and the span of control. Such an institutional structure tends to narrow the choice of strategies, or, as the well-known adage puts it, *strategy follows structure*.

The various problems with the institutionalization of bureaucracy can be divided into three categories: i) the overlapping structure of bureaucracies; ii) the vagueness of divisions between government functions and citizen obligations; and iii) the unclear political process of public policy formulation.

Likewise, the management of public bureaucracy also faces several problems, among them i) unclear planning of work and assignments; ii) inappropriate procedures and assignments; iii) poor enforcement of reward and punishment systems; and iv) lack of transparency in bureaucratic work performance that causes insufficient feedback for work improvement.

C. Problems of Human Resources Quality

Another latent problem with bureaucracy is the quality of human resources, which still does not meet expectations. An indication of this condition is the large discrepancy between levels of education and job positions. Bureaucracies are still dominated by high-school-graduate employees. Based on personnel data, out of 3,932,766 employees, the largest proportion (2,330,597 people, or about 60%) are high-school graduates, whereas university graduates comprise only 614,247 people (15.6%) (Kwik Kian Gie 2003b). The great number of high-school-level bureaucrats may directly affect the government's performance. For instance, they tend to be slow and incapable of making innovations that can support their work effectively and efficiently.

Other problems bureaucrats face are the "prosperity apparatus" that directly involves their salary, social insurance, and other living facilities, which are far from satisfactory. The poor levels of pay and other perquisites in the bureaucracy have undoubtedly been a cause of the impairment of integrity, virtue, and moral principles such as corruption, collusion, and nepotism.

Being in the civil service is a career choice. Therefore, it is quite fair for bureaucrats to insist on a proper salary standard commensurate with their work load, responsibilities, qualifications, work performance, tenure, and cost of living. However, the system of bureaucrat salaries does not use the merit approach. As a result, all bureaucrats receive the same amount of salary regardless of their work performance: there is no correlation between the salary policy and productivity level of government bureaucracies.

In fact, the essentials of a remuneration policy should be based on the following principles: i) ability to attract the necessary human resources to join the institution, and at the same time to retain existing qualified employees; and ii) ability to provide rewards for employees with desirable behavior, such as good work performance, integrity, discipline, experience, responsibility, and professionalism.

This unfair situation may in the long term decrease the motivation, work ethos, and discipline of bureaucracies, which will become a great disaster for the institutions: members of the government apparatus will be increasingly pushed to turn elsewhere to fulfill their needs and neglect their main function as civil servants. Finally, they may turn to illegal acts of corruption, collusion, and nepotism, which constitute a pathology in the body of government bureaucracies.

III. Reforming the Bureaucracy

The concept of bureaucracy reform in Indonesia has basically been triggered by some empirical social phenomena. These result from the multidimensional crisis that has the following characteristics:

- i) Economic growth is very slow. It reached 4% in 2003, and the rise in exports was 6% per year (compared with neighboring Thailand, whose economic growth was 6% that year, with a rise in exports of 16%). Another indicator of bureaucratic weakness in the economic field was the low value of money, although the inflation level was pushed down to 4.5% by the end of 2003 (Sadli 2004).
- ii) The weakness of the bureaucracy could also be seen from its incapacity to handle social affairs in the past 4 years. The unemployment rate increased to 11 million people by the end of 2003, which then affected the rise of criminality and other social problems (*Tempo Magazine* 2004).
- iii) The neutrality of the bureaucracy is threatened because of the pressure of political leaders. This situation contributes to the unfairness and poor distribution of public service, which tends to fertilize the practices of corruption, collusion, and nepotism (Thoha 2003).
- iv) The capacity of the bureaucracy to bring good governance to fruition is also questionable. Good governance has become the Government's choice for achieving a civil society, especially to facilitate the growth of mutual collaboration among the government, private sector, and society. The typical society expected is religious, civilized, democratic, prosperous, and tolerant within a pluralistic society (Syamsul Ma'arif 2003).
- v) Worst of all, as far as society is concerned, is the low performance of public service by both the central and local governments. Indicators of such ineffective conditions of public service have been described by Gajah Mada University's Center for Population Study (2003) as follows:
 - uncertain time, cost, and procedures of service;
 - unfair service caused by political, ethnic, religious, or personal relationships;
 - a long process to obtain legal documents such as a passport or driver's license, which causes bribery and corruption;
 - distribution of authority to legalize a single document;

- a culture of service oriented to the needs of authority instead of society; and
- service not based on the principle of trust, where the applied operational standard is meant to control the customer behavior instead of facilitating the service.

Such empirical phenomena appear in various social settings. This shows that the bureaucratic patterns developed in the public sector make it ineffective. The concept of traditional bureaucracy, characterized by centralized and hierarchical institutions, rigid work standards, and impersonal and uncreative staff, does not seem appropriate anymore, especially in this competitive era.

After observing the conditions of public service, and discussing various issues, we conclude that to improve the bureaucracy performance, a reform should be carried out. The reform is also of importance to regain the people's trust in government, which has been decreasing due to the multidimensional crisis.

However, in line with the context of this discussion, the area of reform is limited to the components of public service implementation, covering the institution, management, human resources, and service culture of the bureaucracy.

A. Restructuring the Public Service as an Institution

Reforming the public service institution means restructuring its components. This includes aspects of service policy and optimization, operational cooperation, work system and procedures, and delegation of authority. The actions to be taken include the following:

- i) reformulating the definition of public service as an institution, including its vision, mission, strategy, goal, and objectives, as well as the standard operating procedure;
- ii) auditing the public service, at both the central and local levels, to find out the intensity of institutional needs regarding the main tasks and functions of public service;
- iii) slimming and restructuring the public service to best carry out the results of the institutional auditing;
- iv) targeting the public service orientation to customer needs by developing a *customer satisfaction index*, supported by the modernization of the public administration system through the optimal use of information technology; and

- v) empowering society through cooperatives and NGOs so that the implementation of public service is more competitive, the performance improves, and customers may choose better public service as they like.

B. Restructuring Personnel Management

Management has a dominant role in efforts to improve employee performance. The changes to be carried out mainly affect internal personnel policy, as follows:

- i) reformulating the systems of personnel recruitment, promotion, and layoffs in accordance with employees' competence and work performance;
- ii) presenting rewards to the best performing employees and reinforcing appropriate punishments to those who consistently show bad behavior;
- iii) formulating a standard of public service characterized by fast, accurate, simple, low-cost, safe, and transparent service for all levels of customers;
- iv) formulating a system of performance measurement on the basis of outputs as well as outcomes, in line with the institutional vision, mission, goal, and objectives; and
- v) empowering the competent employees so that they are able to bring creativity and innovation to the best achievement of the institutional goals.

C. Reformulating Human Resources Policy

Human resources constitute the best asset of the public service institution. Therefore, the policy of performance development and employee prosperity should be emphasized, especially including the following efforts:

- i) improving employee prosperity, i.e., restructuring the remuneration system based on employees' work performance, and consistent implementation of a reward and punishment system;
- ii) improving employee integrity, especially building attitudes and behavior oriented to the spirit of fulfilling the public needs, as well as the objectivity and neutrality of public service; and
- iii) improving employee competence and professionalism through appropriate training programs, so that employees perform at their best and can solve any service problems.

D. Building Service Culture

Service culture is a crucial component of effective public service performance. Therefore, any public service institution should prioritize the building of a service culture through the following efforts:

- i) change the slow, uncertain, overlapping, high-cost, closed service culture into a fast, certain, simple, low-cost, transparent one;
- ii) develop the service ethic by building good habits, such as patience, empathy, caring, friendliness, and interactive service to society;
- iii) develop resistance to the corruption, collusion, and nepotism that may ruin a bureaucrat's career and inflict a financial loss upon the society, institution, and country;
- iv) develop high integrity in the work and institution through commitment and cooperation building among public service employees; and
- v) build a competitive but fair culture among employees in order to develop a healthy competition among them, which will produce higher work performance.

IV. The Agenda

Awareness of the need to improve the public service was triggered in 2003 by President Megawati, who called bureaucracies “rubbish.” The Minister of State Apparatus Reform acted to publish the General Guidance of Public Service. Alas, the guidance has not been applied well by most public service institutions because of—among other things—poor internalization and socialization.

In fact, improving public service is a complex and controversial effort, especially in Indonesia. This is reasonable given the thousands of institutions and bureaucracies with different types and characteristics, in both local and central levels of government. Therefore, the reform should be implemented thoroughly in successive stages.

A. Preliminary Stage

Commitment from the top leaders of the bureaucracy is required at this stage, and the involvement of experts is strongly recommended, especially to identify weaknesses in public service bureaucratic practices.

The result is essential for the formulation of a strategic plan. Camden (1976) divides this stage into the following assumptions:

- i) the Government should be aware of the importance of improving public service, and explicitly announce its intention to implement effective reforms;
- ii) the Government should appoint experts in the field of public service to identify weaknesses existing in public service bureaucratic practices;
- iii) the experts, supported by the Government, should publish and distribute their findings; and
- iv) the experts should formulate a strategic plan to implement the reforms.

B. Implementation Stage

Mersman and Von Harder (2002) suggest the following strategic factors to be considered in the implementation of public service improvement:

- i) installing awareness of the importance of improving public service in all components of the bureaucracy;
- ii) providing funding and nonmaterial support from all governance components—government, private sector, and general society—to carry out the implementation;
- iii) building commitment from all governance components to carry out the implementation together; and
- iv) maintaining a constant commitment through to the end of the implementation.

C. Evaluation Stage

The end of implementation means the beginning of the evaluation process. In this stage, the following parties are involved:

- i) The experts formulate the values that are to be indicators of the evaluation standards. For instance, Reichheld (1994) proposes three dimensions of public service achievement: performance to the customer, employee capability, and costs and productivity.

- ii) The top government leader, as Fogleman (2002) suggests, should be definite, fair, and consistent in the standards of evaluation formulated.
- iii) The government evaluator institution executes the evaluation definitely and fairly.
- iv) The society, via legislative institutions and NGOs as stakeholders, gets access to a share in the evaluation of the new public service performance.

Hence, the improvement of public service should be implemented incrementally. Rush and radical steps in carrying out such massive and complicated work, without careful planning and systematic implementation, will not be effective. The pathology in the bureaucracy's body has been so chronic that the improvement of public service needs the hard work and involvement of all governant components.

Taking radical steps without identifying the weaknesses of public service practices, and without careful and thorough planning and preparation, will not be effective. The pathology within the bureaucratic body has been chronic, complicated, and culturized.

V. Summary

The crisis of public service in Indonesia has spread out to almost all sectors. The poor level of public service performance suffered by customers is mainly indicated by sluggish service processes and excessive service cost. Various public policies have been undertaken to improve public service performance, but no significant improvement is perceptible.

Such conditions are a sign for the Government to find a strategic solution to improve the public service. If analyzed deeply, the main problem lies in the weak performance of bureaucraies as the executors of services. In this context, several illegal practices can be identified, such as uncertain service time, cost, and procedures; unfair service; long-table administrative service; deceptive service orientation; service based on distrust instead of trust; misimplementation of operational standards; and distribution of authority to legalize a single document.

Reforming the public service bureaucracy, therefore, is crucial, especially to meet customer expectations. This mainly includes the bureaucratic institution, management, human resources, and service culture. Since reform is difficult and complicated work, the reforms should be implemented incrementally, following planned stages.

Thus, bureaucracy must be reformed so as to fulfil the needs of society. The improvement mainly covers the institution, management, human resources, and culture of public service. Since the reform is complicated and massive, however, it should be carried out incrementally, following the well-planned steps. All governance components should also be involved to reach the goal, as it is very crucial both to improve the performance of public service and to regain the decreasing trust of people in government due to the unending multidimensional crisis.

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Mutually Reinforcing Cycles of Public Service Delivery and the Poverty Reduction Program: Lessons from the Implementation of Social Safety Net Program in Indonesia

Djonet Santoso¹

I. Introduction

The economic crisis in Indonesia since 1997 has significantly increased the amount of poverty in Indonesia. The problem began with the weakening of its currency rate compared to the United States (US) dollar, quickly spread, and became an economic crisis. Indonesia's economic foundation isn't strong enough to resist that external pressure. Weak production sectors, lots of monopolized sectors, and the low capacity of the economic actors to respond quickly to the crisis are among the conditions that inflicted on Indonesia the biggest wound in the Southeast Asian crisis. Lots of enterprises went bankrupt, closing down their activities and firing their workers. This condition was worsened by special natural complications in 1997. The El Niño phenomenon caused a bad drought in several sections of the country, which was named the worst dry season in 50 years. The dry season caused reductions in national food production and threatened famine in some places.

Because of all that, unemployment became inevitable, in the city and the rural areas. The buying power of society fell to such a state that they faced difficulties in obtaining necessities in food, clothing, housing, and access to education and health care services. The numbers of those living below the poverty line underwent a drastic increase, reaching 38 million or 25% of Indonesia's population. The quality of education and health care also fell, due to a sharp increase in prices.

The social safety net program, which was created by the Government of Indonesia in early 1998, was intended to help those who were newly poor due to the crisis as well as the traditionally poor. The program included ensuring the availability of food at affordable prices, supplementing purchasing power

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through employment creation, and preserving access to critical social services, particularly health care and schooling. This study reveals that in many cases, the effectiveness of the program varied across regions. What accounts for these differences? This paper aims to discuss effective public service delivery in Indonesia, using the example of the implementation of the social safety net program. Some constructive suggestions will be developed to optimize the effectiveness of the ongoing program.

II. The Social Safety Net Program

In response to the prolonged economic crisis, the Government launched the Social Safety Net (SSN) Program targeted to the poor family (see Frankenberg, Thomas, and Beggle 1999; Papanek and Handoko 1999; and Sutanto 1999). The main objectives of the SSN program include i) providing sufficient food at a cost poor people can afford; ii) creating productive work for poor people that can increase their income and purchasing power; iii) providing health care and education services that poor people can afford; and iv) reviving the economic activities of the society. The program was short-term and intended to assist the traditionally poor and the newly poor suffering from the crisis. The program was implemented through various subprograms encompassing food security, employment creation, education, and health care.

The food security program was the most critical component of the SSN program (Table 1). The purpose of the program was to assist the poor to fulfill their basic needs for food, which may have been hindered by the decrease of their purchasing power. The main activity in this program is

Table 1. Social Safety Net Programs

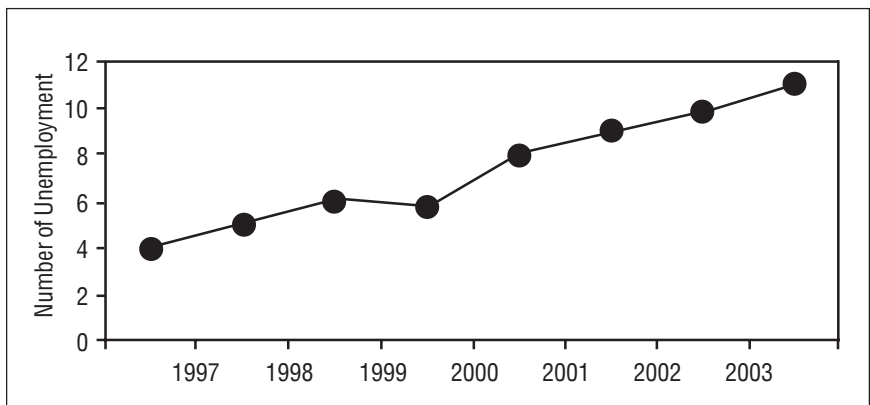
Food security Program	Employment Creation Program	Education Program	Health Care Program
<ul style="list-style-type: none">• Rice subsidy	<ul style="list-style-type: none">• Labor-intensive projects• Block grants for people initiative (self-help) projects• Block grants for poor caused by long drought	<ul style="list-style-type: none">• Block grants to keep schools operational (primary to high school)• Scholarships for students from poor families	<ul style="list-style-type: none">• Medicine subsidy• Health center operational support funds• Food supplements

Source: Research results 2004.

providing cheap rice. Under this program, each eligible household is allowed to purchase 20 kilograms (kg) of rice per month at a highly subsidized price of 1,000 rupiah (Rp) per kg compared to the market price of Rp3,500 per kilogram (Rahayu et al. 1998). The value of the currency decreased dramatically from Rp7,000 to US\$1 before the crisis to Rp18,000 in 1997, and leveled off to Rp9,000 in 2004. Only households in the lowest category of official poverty classifications were eligible to participate in the program.

The crisis produced a significant increase in the numbers of unemployed, from 4 million in 1997 to 6 million in 2000, and this figure continued to increase to 11 million in 2004 (see Figure 1). The employment creation program was established as a response to the threat of burgeoning unemployment, especially in urban areas. The program included redesigning some ongoing projects into labor-intensive projects, block grants for people initiative projects (self-help, entrepreneurial, and small business development), and special labor-intensive work. Ferreira, Prennushi, and Ravallion (1999) consider a workfare program as a key element of a public safety net to mitigate the risks of loss of income during a crisis. Because the program was created to help the poor, the jobs have to go to the poor (Suryahadi, Suharso, and Sumarto 1999). The program should be available only for those who are already unemployed. The wage level is therefore critical for achieving properly targeted employment outcomes. Only those who have relatively low incomes can apply, so that as many people as possible can be employed (see Ferreira, Prennushi, and Ravallion 1999)

Figure 1. Numbers of Unemployed in Indonesia, 1997–2004
(million people)



Source: KOMPAS 2004.

The education program was established as a response to the increase in school dropout rates. The program has two components: a block grant to help all schools to maintain their education activities and scholarships for students from poor families. The program is intended to reach at most 6% of primary school students, 17% of junior secondary, and 10% of senior secondary.

Falling real income and increasingly expensive medical services caused a deterioration in people's health. The health care program aimed to provide free medical service for the poor and includes medicine subsidies, support funds for the daily operational costs of health centers, and food supplements for pregnant women and children under 5 years.

To ensure that SSN was acceptable and understandable, the Government created some operation units that cover i) information distribution through the Center for Information to popularize the program; ii) a social consultation unit to solve problems and answer questions that might occur to people during the implementation of the program; and iii) a district-level dialogue forum consisting of representatives of local institutions to increase social participation.

III. Effectiveness of the Program

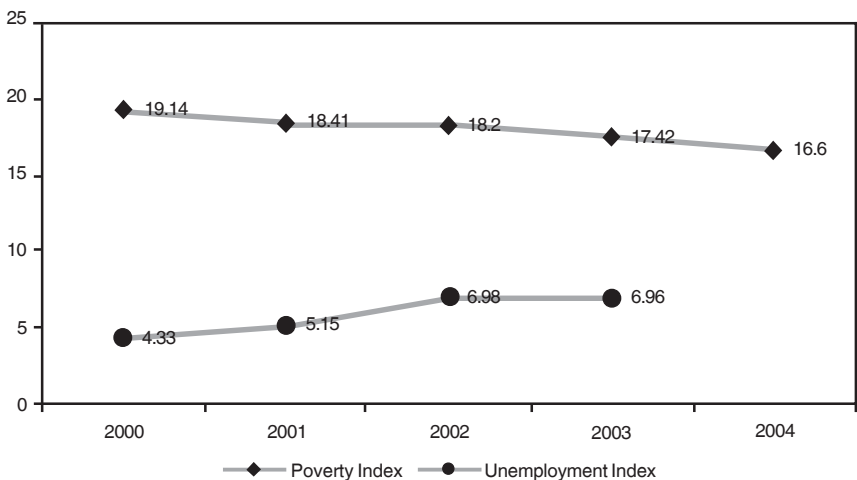
The program was intended to assist the traditionally as well as the newly poor. The intended beneficiaries of the program were the needy who might not be able to cope with the impact of the crisis without outside assistance. This implies that the effectiveness of the program can be measured by its coverage of the poor and the amount of program benefits that went to the poor. This study aims to evaluate the effectiveness of the program through analyzing some program reports. These reveal that in many cases, the program largely missed the targeted groups, because of inadequate coverage and because it was only loosely targeted in practice (Suryahadi, Suharso, and Sumarto 1999). Some regions experienced effective program implementation, while in others, the Government was less effective in implementing the program. The variability raises some interesting questions. Why did some districts appear to be much better at implementing the program than others? What variables contribute to these differences? Is it political will? Or, is it administrative capacity on the part of the central as well as local government to deliver the services?

It is a fact that the proportion of poor people in Indonesia had been declining before the crisis: the trends in poverty reduction had been positive. While this success varied among the districts, the change was significant at the macro level. In 2000–2004, poverty has been declining (Figure 2). As of

February 2004, about 16.6%. or about 36.1 million people, were regarded as poor. In 2000; the proportion of the poor was 19.14%, decreasing to 18.41% in 2001, 18.2% in 2002, and 17.42% in 2003. However, success in poverty reduction has not meant success in reducing the numbers of unemployed. The proportion of the unemployed increased from 4.33% in 2000 to 6.96% in 2003.

A study of the implementation of the Rice Subsidy Program was conducted in mid-2004. Using the systematic circular random sampling method, five provinces in the southern part of Sumatra were selected: West Sumatra, South Sumatra, Lampung, Jambi, and Bengkulu. Within each province, one district was selected; within each selected district, two subdistricts were chosen. One village was taken as a sample in each selected subdistrict. The number of respondents for each village was 25 families, selected from the list of poor families. The total number of respondents was 250 people. From the study, which covered the period up to November 2003, it was learned that 89.2% of the respondents received subsidized rice; the percentage had decreased to 76.2% by February 2004. Using the 95% confidence interval, it can be concluded that the proportion of families receiving subsidized rice in November 2003 was between 75.3% and 85.1%. Applying same method, the proportion for February 2004 was between 70.9% and 81.4%. Two-sided hypothesis testing for November 2003 using the 95% confidence interval showed that the hypothesis “the proportion of families receiving subsidized rice was 80%”

Figure 2: Poverty and Unemployment in Indonesia, 2000–2004



Source: KOMPAS 2004.

can be accepted. For February 2004, the same hypothesis also confirmed that 80% of respondents received the rice.

Respondents receiving subsidized rice were also asked how many kilograms of rice they received. The study found that in both 2003 or in 2004, 93.1% of respondents did *not* receive 20 kg of rice as stated in the policy. About 3.5% of respondents stated that they did receive 20 kg and another 3.5% stated that they received less than 10 kg. This is because of differences in local conditions and local administration. For example, the distribution of the rice was unpredictable: it could have come early in the month or in mid-month. Consequently, it frequently happened that some families had no money at the time the subsidized rice was distributed, or local people demanded that the rice be distributed equally, regardless whether one's name was on the list. In response to those demands, local officers distributed the rice equally. The success and the weaknesses of some aspects of the program are summarized in Table 2.

As with the food security program, some weaknesses were also found in the implementation of the employment creation program, education program, and health care program. Most of the SSN program was reported to be successful. The success of the programs was brought about by good coordination among the parties and good performance. However, many weaknesses were observed in the implementation of the programs. Some evidence has emerged of targeting error and leakage or misused funds. Accordingly, the study reveals that the administrative capacity and capability is the most significant factor, rather than the political will of either the central or local government. The SSN policy can be highlighted to indicate the government commitment to reducing the impact of the crisis on the poor. In order to realize the commitment, the government spent millions of dollars since the beginning of the program and developed some critical and supporting policies to reduce poverty. Even though the poverty index has been declining, the government has made a commitment to minimize the number of the poor by enlarging short-term programs and developing a long-term program as well. Many reported problems, such as weaknesses in program publicity, missed targets, weaknesses in program control, monitoring and program transparency, and inefficiency, indicate low administrative capacity and capability of administrators at the implementation level. This low administrative capacity and capability is constraining the government commitment to reduce poverty. Indeed, even though the program has successfully decreased the poverty index, it is not as effective as expected. The numbers of the poor might be decreasing, but the quality of life of the people is still not improving.

Table 2. Summary of the Success of Program Distribution, Program Target, Targeting Error, and Leakage of the Implementation of the Social Safety Net

Subprogram	Success of Program Distribution	Target	Targeting Error	Leakage
1 Rice Subsidy	Effective coordination between logistic Distribution Body (Dolog) and interrelated departmental office	<ul style="list-style-type: none"> a. The subsidy should provide 32.6% of monthly rice needed per family. b. The family can save 22.2% of its food budget. 	<ul style="list-style-type: none"> a. About 23.2% was received by unregistered families. b. Rice was distributed in areas where rice is not the people's main food. 	<ul style="list-style-type: none"> a. Operational cost too high b. Low rice quality
2 Block grants for labor-intensive Projects	Good performance by implementing bodies such as foundations, NGOs, cooperatives, or even universities	<ul style="list-style-type: none"> a. About 92% was distributed as goods and financial assistance. b. No significant result for widening job opportunity 	<ul style="list-style-type: none"> a. About 24–29% targeting error b. Housewives and labor 	About 54% was misused by the implementing body, quality and quantity of the distributed goods.
3. Block grants for poor caused by long drought	Good performance of the provincial and district office of manpower	<ul style="list-style-type: none"> a. The contribution of the program to the family income was about 23%. b. Local infrastructure was improved. c. People's morale was also improved. 	<ul style="list-style-type: none"> a. Only about 15% of the recipients were really poor. b. Only about 17% of the recipients were really poor because of the long drought. 	About 7% was misused.

Table 2. Summary of the Success of Program Distribution, Program Target, Targeting Error, and Leakage of the Implementation of the Social Safety Net (continued)

Subprogram	Success of Program Distribution	Target	Targeting Error	Leakage
4. Block grants for school operation (primary to high school)	Good performance of District and Sub District Committee in identifying schools eligible for this scheme	a. Obtain books and supporting materials b. Keep up school practicum activities	Official terms and conditions for recipients did not match with facts on the ground. District and Subdistrict Committees had difficulty applying the official terms and conditions due to differences of perspective.	a. Grant distributions were sometimes misused; b. The budget for monitoring and evaluation at District and Subdistrict Committee level was misused.
5. Scholarships for poor primary to high school students	Good performance of District and Subdistrict Committee in identifying poor students for this scheme.	Opportunity to continue their formal education	a. 60% targeting error b. The money was not directly received by the students. Official terms and conditions for recipients did not match with facts on the ground.	School Committee misused about 10–15%
6. Health care program	Good performance of the provincial and district health office, hospital, and local hospital	Opportunity to improve people quality of health	About 35% targeting error	Only about 65% of poor people were covered by the program

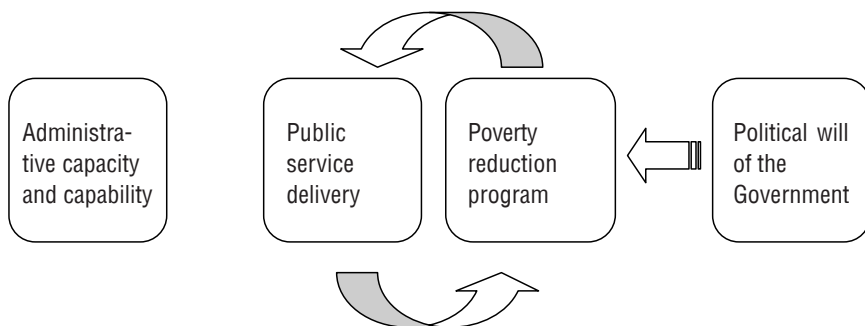
Source: Research results 2004.

IV. Mutually Reinforcing Cycle

The effectiveness of public service delivery on the poverty reduction program has the effect of a mutually reinforcing cycle (Figure 3).

The figure shows that the poverty reduction program and public service delivery mutually reinforce each other. The program will not work if public service delivery does not deliver significant support. The success of the program indicates the effectiveness of the service. The quality of the service to a great extent depends on the administrative capacity and the capability of the central as well as the local government. The dissemination of information about the programs needs to be improved. Eligibility criteria also need to be refined. Lastly, the program between the central and local government has to be more transparent. From the other side, the poverty reduction programs are closely related to the political will of the Government to reduce the numbers of the poor.

Figure 3. The Reinforcing Cycle of Public Service Delivery and Poverty Reduction Programs





Source: Author's Research.

The SSN program has been a short-term program. To have a more significant impact on poverty reduction, it should be consistently integrated into medium- as well as long-term programs. The Government could implement the three pillars of the strategic framework introduced by the Asian Development Bank (2004), namely, pro-poor sustainable economic growth, good governance, and social development. Table 4 depicts the way in which the pillars could influence the overall program.

The Government should promote good governance through the way in which it processes projects, as well as through specific governance-related

initiatives. Procedures for identifying and designing projects will help empower the poor and civil organizations that represent them. All dealings with public sector entities will be through transparent procedures that ensure full disclosure of information. This will also require effective stakeholder participation to establish the priorities and targets for poverty reduction and to help direct project identification and design. Specific projects will seek to improve public expenditure management at central and local levels, increase government accountability through fiscal decentralization and local empowerment, and develop effective regulation of financial markets and public utilities. Good governance will have an interrelation with social development and sustainable economic growth. Sound pro-poor sustainable economic growth will be effectively implemented by a good governance which is positively supported by highly social initiatives.

Table 3. Matrix for Poverty Reduction

Strategic Pillars	Interventions		
	Short term	Medium Term	Long Term
Pro-Poor Sustainable Economic Growth		Private Sector Development	
		Regional Cooperation	
 Good Governance		Agriculture and Rural Development Environment and Natural Resource Management Transport, Communications, Energy, and Finance	
		Public Expenditure Management and Administration	
 Social Development		Decentralization (Devolution)	
		Stakeholders Participation Social Protection	
		Health and Education	
		Water Supply and Urban Development	

Source: Adapted from ADB 1999.

The contribution of the private sector to poverty reduction should be enhanced through enterprise development, expansion of infrastructure and other public services, and improvement of corporate governance and responsibility. Private operators could be enabled to increase their participation in providing infrastructure and public services and in projects

targeting the poor. Since some regional disparities occur in the effectiveness of the poverty reduction program, the Government should introduce a conducive and mutual cooperation, not only between the central and local levels, but more importantly in the local-to-local area. The sharing of ideas, experience, skills, strategies, and information among the regions will generate local administrative capacity to improve the effectiveness of their public service delivery.

Most of the poor live in rural areas and their quality of life lags behind that in urban areas. Sustained economic growth in rural areas is likely to have a much greater impact on job creation than equivalent urban growth. The Government, accordingly, should give greater emphasis to agricultural and rural development. Significantly, the Government should also give greater attention to the social, environmental, and institutional factors necessary to enhance efficiency and productivity in all areas of agricultural production and associated nonfarm activities. Nonfarm enterprises are of increasing importance in the survival of the rural poor, particularly women. Priority could be given to these enterprises and to expanding the very limited coverage and accessibility of microfinance.

For the rural poor, governance must be especially effective and responsive, since the support of government institutions is vital in poverty reduction programs. Accordingly, the Government should expand the social capital of the poor and ensure accountability of public institutions, including community-based organizations, people's organizations, and cooperatives. At the same time, the Government should strive to increase the capacity of local governments to take a more effective role in rural poverty reduction.

The natural environment is of crucial importance to the poor, because so many of them depend for their survival on a fragile, and usually dwindling, resource base. For the medium and long-term program of poverty reduction, the Government should address the critical issue of sustainable resource management. This will entail special emphasis on the rights and responsibilities of indigenous peoples. In turn, this may require support for tenurial rights and traditions and for moving from government control to comanagement by government and the people who depend on the resources (ADB 2004, Santoso 2004).

For programs of all durations, the Government should increase its support for human capital development, since such investments are frequently the most effective way of breaking the cycle of intergenerational poverty. Such a policy and mechanisms should be arranged to ensure that the poor, especially women, have access to essential social services. Through access to quality basic education and primary health care, the poor will progressively increase their chances of successfully employing their main asset—labor. Improving social

protection will reduce risks and indebtedness that otherwise entrap the poor in a vicious circle of poverty.

Although some recent macroeconomic indicators have shown that the Indonesian economy is going in a good direction, the negative effects from the crisis in 1997 have not yet been fully overcome, especially those affecting poor people. The Government realizes that the administration of the SSN program has had a lot of weaknesses. Because of that, some improvements are urgently needed, be they substantive (accuracy in determining target groups, fixed geographical allocations, increased participation by women, and integration of the program) or in the area of administration/protection. Administrative capacity and capability should be improved in the near future to improve the effectiveness of public service delivery.

To do so, the Government should implement the following strategies:

1. Governments and nongovernment organizations should consult one another to discuss the past and the future of SSN programs.
2. The program should be improved based on inputs and past experience and should be perfected to protect SSN programs so that they accurately identify program targets and beneficiaries. The improvements are grouped into five points:
 - (a) increase the quality and coverage of distribution of information about the program;
 - (b) develop a more effective mechanism for consulting with individuals;
 - (c) use a regular report system to achieve the target;
 - (d) conduct independent verification for program reporting; and
 - (e) increase public participation in every program.
3. Improve the transparency of information reaching people about the program. To achieve that goal, every program administrator should be obligated to provide information through media, both print and electronic. Aside from that, a National Center of Information for SSN should be formed at central, provincial, and city levels to ensure that every element in society can easily access accurate information on the SSN program.
4. Conduct an effective and efficient public consultation.
5. Make regular reports to mark the progress of a program or a project.

6. Enlist public participation to ensure that the SSN program has a maximum effect on poverty reduction and to step out of the hard situation because of the economic crisis. The public should participate in planning, implementing, and supervising the program.
7. Improve the substance of the program by improving the accuracy of data on targeted groups, repair the geographic allocations, integrate program administration, and increase participation of women in implementing the program.

V. Conclusion

The SSN Program was designed to minimize the impact of the economic crisis. Accordingly, it needs to be managed through some of the following basic principles: i) transparency in its management; ii) speed in fulfilling its objective; iii) directness and accuracy in getting to the targeted poor; iv) accountability; and v) participation and potential for continuity. In response to the strong demand for reform, the Government is obliged to work more transparently, honestly, fairly, and accountably. To assure the effectiveness of the program, the Government established a control mechanism for the whole process of distributing and allocating the subsidies. To face the hard situation that has been illustrated, the Government has to make changes in orientations in program planning that can answer and fulfill the needs that are urgent, realistic, and operational so that the society's social and economic condition doesn't suffer further damage. The strategy is distributed into two phases, rescue and recovery. A few new and specific programs need to be designed to overcome the crisis and integrated with the few programs on poverty reduction and community empowerment that already exist.

Since the program has great importance for assisting the poor, the Government should improve its effectiveness. Program improvement can be done based on several consultations and on input from society that is recorded by the program administrator, from mass media and direct consultation. Aside from that, each of the operators of the program has done an internal evaluation on its work in the past year, in addition to an external evaluation done by academic and other actors and the outcome of recommendations from meetings with society elements.

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Session 6

Special Session on the Teaching of Public Administration and Policy

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STEVEN E. AUFRECHT AND XIE MING

Teaching Public Policy and Administration: Controversies and Directions

Scott Fritzen¹

Ever since Plato's *Republic*, the question of how to groom future public leaders for their future roles has been laden with philosophical, even moral, significance. Answers touch on core beliefs: What makes good public policy? What skills and dispositions would, if possessed by public managers, both inform and lend authority to their decision making? The authors in this section engage in three interconnected debates that in a generic form were probably as relevant to the *Republic* as they remain today. Briefly, they concern the *content*, *methods*, and ultimately the *consequences* of policy education.

I. What Should be Taught?

To begin with the obvious, the fields of public policy and administration have a bountiful and diverse inheritance. Dan Durning's chapter traces the rise of public policy programs since the 1960s and the more recent advent of public management programs modeled to some extent after schools of business administration. Leaving aside the question of what separates such programs from public administration—an added layer of complexity—multiple disciplinary identities and influences have led to perennial debates over what belongs to the “core” of a policy or administration curriculum. What knowledge of economics, political science, and management is vital for public administrators or policy analysts to possess, and with what skills of integration? Durning makes an interesting observation that mainstream policy analysis in quest of technical sophistication has moved away from the problem-solving orientation that inspired scholars to launch public policy as a separate discipline.

An anecdote may help to illustrate the diversity of views within public policy circles alone. Our colleagues at the newly established Lee Kuan Yew School of Public Policy recently conducted a review of the core curricula of major policy schools worldwide. It revealed a wide range of configurations

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of such programs. Most included some form of economics, statistics, and political analysis in the core, but the relative emphasis varied from one to several courses in each of those fields. Other programs incorporated management or leadership courses as well. Clearly a range of visions of what an appropriate policy program should look like are available among the leading purveyors of such education. Not least because faculty members in these departments are as likely to identify themselves with component disciplines (such as economics or political science) as with the less well delineated “policy sciences,” it is likely these debates will be with us for some time.

The same review turned up a mandatory course entitled “Democratic Governance” at a prominent policy school. The course title itself might sit uneasily in the core curriculum of some countries otherwise keen to promote policy education, even though the content is probably not vastly different from less colorfully entitled courses in “political and organizational analysis” at other institutions. This raises a second area of tension regarding the content of policy education. To what extent, and how, is it necessary to localize the content of policy education to fit non-Western contexts? Or to put it more radically, are entirely new models of, and modalities of teaching, policy and administration necessary for such settings? The question takes on a particular edge in the attempt to transplant core curricula—and the content underneath course titles—from countries with long-established “democratic” traditions to authoritarian or one-party governance settings. And it takes the form of a visceral frustration for many educators of policy and administration programs in non-US settings in particular; because so many of the basic texts—let alone the textbooks—of public policy and administration are built around that country’s rather unique set of institutions.

Several of the authors in this section address such issues. Ngok Kinglun outlines the development of teaching of public administration and policy in the People’s Republic of China (PRC). Developing a relevant curriculum has been especially important due to the PRC’s shift from a planned to a market economy requiring new institutions and mindsets in the public sector. Baulderstone and O’Toole highlight the interesting case of international students studying public administration in Australia, for whom the existing curriculum and mode of delivery may not be entirely appropriate and require modification. It is far from easy to introduce modifications to key courses in these fields that maintain coherence while catering to a diverse student body. Robert Laking gives a detailed account of how this challenge was addressed in training Vietnamese participants in public management in New Zealand.

II. How Can Public Administration and Policy be Most Effectively Taught?

The question of what teaching methods would best serve adult learners has long been debated in universities and in the specialist literature on pedagogy. One form this challenge takes for teachers of policy and administration is how to prepare students for the complexities of a public sector environment, in which ethical dilemmas, conflicting notions of the “public interest,” and multiple accountability pressures are all common.

The generic answer in many professional schools has been to promote *problem-based learning* in various forms. It arises from a long-standing critique—much in vogue in university centers devoted to teaching methods, and given a new interpretation in Steven Aufrecht and Xie Ming’s chapter—of hierarchical, lecture-based methods. These methods take various forms. Faculties of medicine perhaps have the most plausible application: rigorous, closely supervised clinical education to accompany theoretical learning. Yet the subjects of policy analysis and administration are rather unlike the controlled environment of hospital examination rooms. Business schools have developed a more applicable model, emphasizing group work, internships, and applied case analysis. An important point to note is that none of these methods is free of controversy or practical challenge.

Take the use of case studies. They are widely employed in both business and public administration classrooms, and are widely thought to provide the opportunity to integrate political, economic, and organizational analysis for “real-life” problem-solving and to stimulate the development of managerial “wisdom.” Yet typical public policy cases have also been criticized as portraying the policy world in terms of “high-level, lone protagonists beset by hostile political forces,” and of de-emphasizing the institutional and historical contexts of policy action (Chetkovich and Kirp 2001: 283). If the critique rings true for American policy contexts, it may have even greater traction when case studies “cooked” in Western contexts are served to current or future public managers from developing or non-Western country settings.

Several chapters look beyond case analysis for problem-based learning methods. Carole Comerton-Forde and her colleagues from the University of Sydney explore group work in public policy programs, while Richard Hayllar offers a detailed description of the use of extended role-plays “to develop policy and decision-making skills in cases where interpretations of what is in the ‘best public interest’ are strongly contested,” as he puts it in his evocative title. While no chapter focuses on e-learning methods, there is little doubt that this new technology will be increasingly important in the years to come, and an important way to provide distance education and in-service training to public sector personnel in a wide catchment area.

III. Does it Matter?

This is a third type of question that can be asked of policy education. Put differently, what impact does training in public policy and administration have on the practice of governance or the quality of governmental decision-making? The question may sit uncomfortably for educators; indeed, only one of the chapters in this section—that by Mangahas on the potential impact on Millennium Development Goal attainment—addresses this type of issue. The reluctance stems largely from the general difficulty of quantifying the impact of higher education in any field—except on the subsequent wages of graduates, a measure which is decidedly unhelpful for the public sector. The question may also be uncomfortable for university administrators. After all, policy and administration schools—particularly those catering to students from developing countries—probably have among the highest percentages of students whose tuition is paid by third parties among all the professional schools. Are these generous funders, whether donors or governments, getting their money's worth?

In this regard one might recall Chambers' (1983) evocative (if simplistic) description of the cultural and attitudinal gulf separating "positive practitioners"—for whom every problem is solvable with the right mix of resources and skills—and "negative academics"—annoyingly insisting on the profound structural constraints on effective policy intervention. Professional schools of public administration and policy everywhere straddle, even embody, this divide. But it is a tension that can border on "schizophrenia" when the context is policy education in less developed settings. We know that the productivity and "room for maneuver" for individual public managers depends heavily on how facilitative their work environments are: on the incentives, resources, information, and public authority that these managers can mobilize. If all such incentives and resources are weak to the breaking point in many developing country settings (as many "negative academics" might contend), what will a better grasp of benefit-cost analysis bring our well-trained public servant? To put the question more strongly, how tenuous is the link—for it must be tenuous—between the short exposure of mid-career managers to expensive, short-duration executive education programs and the quality of policy outputs emerging from the systems in which they must operate?

There may be good answers to this question. Indeed, some aspects of developing country environments may *enhance* managerial discretion and, by extension, the importance of its sensitive application (Grindle and Thomas 1991). But to ask the question underlines the difficulties of moving the pedagogical discussion from one based (to use public management-

speak) on the “process and outputs” to the “outcomes and impacts” of policy education.

Ultimately, educators of the “guardians” of once and future *Republics* can always fall back onto Oscar Wilde’s famous dictum: “If you think education is expensive, try ignorance.” But perhaps we can do better than this. Examining the impact of policy education in producing not just more capable, but more *effective* public managers is an important future arena for discussion—one the chapters point toward without directly addressing.

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“But It’s Different in My Country”: Teaching Public Administration Using Western Materials

Jo Baulderstone¹ and Paddy O’Toole²

I. The Western Academic Context

A. The Challenges of Postgraduate Study in the West

The knowledge economy has placed a great deal of pressure on those wanting to succeed by demanding a high level of knowledge and skills and the capacity to adapt quickly to changing conditions. The university sector has met this need with a burgeoning of postgraduate course work programs where students can interact with highly qualified experts in a variety of fields and specializations. However, considerable challenges have to be overcome for people studying in a foreign country, often in another language, and certainly with different cultures and expectations. It should be acknowledged that students from non-Western backgrounds continually achieve high grades in Australian universities, which argues for successful adjustment to Western higher education, but a number of authors have identified the serious problems in studying in a different country (for example, Robertson et al. [2000]).

Flowerdew and Miller identified four dimensions of the cultural context of lecturing, namely the ethnic culture, the local culture, the academic culture, and the disciplinary culture (cited in Mulligan and Kirkpatrick 2000: 312). In practice these dimensions are interwoven, but they provide a useful theoretical framework to examine responses.

B. The Challenges of Ethnic Cultural Difference

A significant part of the process of postgraduate learning requires students to challenge the authorities in the field, their lecturer and other students. While this is often a new experience for both local and international students, it can be particularly challenging to those from a different ethnic culture.

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An ethnic culture, in this paper, refers to the assumptions and understandings a person has derived from their religious, national, or ancestral background. An example of this, according to Flowerdew and Miller, is “the Confucian emphasis on respect for one’s elders, which may manifest itself in the reluctance of students of Chinese heritage to give their opinions or to ask questions in class” (cited in Mulligan and Kirkpatrick 2000: 312). In the authors’ experience, new international students often bring norms of authority and hierarchy that make it difficult or them to challenge a lecturer or academic text in the manner required in Australian postgraduate courses.

Academic staff also need to be willing to modify their expectations and increase their awareness. For example, during Ramadan, lecturers from a predominantly Christian-based culture may fail to understand the lack of energy in some of their international students, particularly toward evening.

C. The Challenges of Local Cultural Difference

Local culture can be described as the shared social, political, and economic understandings derived from experiences (Mulligan and Kirkpatrick 2000: 312). These understandings are often used by lecturers to describe and enrich theoretical concepts and to create relevance for the student. International students who do not share this common framework may feel confused, excluded, and ignorant rather than enlightened. In one example, an Asian student described to one of the authors how she was perplexed to discover on a field trip that the “remote” Australia from which she was supposed to generalize and transfer to her own situation resembled, as she put it, “the suburbs,” with roads, access to the Internet and other infrastructure. In the remote regions in her country, she explained, “there is just nothing there!”

D. The Challenges of Academic Cultural Differences

The Western academic culture, which can be described as the rules and norms of Western academic practice, is perhaps one of the most challenging hurdles that international students have to face. Our academic culture has evolved from Western philosophy and practice, which may seem to new students to be fraught with tacit rules and restrictions. A continuing theme in the literature relating to international students’ adjustment to Western academic culture is the difficulty that many international students have in performing critical analysis and synthesis (for example, see Biggs [1997], Mills [1997],

Egege and Kutieleh [2004]). Critical analysis involves taking apart the argument in the literature, and the statements contributing to the argument, evaluating the individual parts and how they fit together (Germov 1996). To synthesize is to see the different relationships between or among things, to see the connections (Hart 1998) and make these explicit (Behrens, Rosen, and Beedles 2004). For some commencing international students, a written text constitutes an authority that should be believed, not something that is subject to debate and critical inquiry: thus a considerable adjustment is required on the part of the international student studying in the West.

A related difficulty that some international students face is the academic sin of plagiarism, caused where other authors' work is not acknowledged in the students' assignments in the form of citations and references in a predetermined format. The rules relating to acknowledging other people's work, however, can be vague, and for the student, an area of confusion (Carroll 2002). In one teaching session, after one of the authors gave a comprehensive explanation of synthesis, there was an astonished silence. One student asked "But isn't that plagiarism?" There was general agreement among the international students present that they had thought that adapting and evolving another author's work amounted to plagiarism, whether they cited the foundation author or not.

E. The Challenges of Disciplinary Cultural Differences

The disciplinary culture refers to the knowledge contained in the specific field or discipline. Postgraduate students in public administration generally have undergraduate degrees from disciplines including science, accounting and commerce, engineering, law, and politics. The practice of public administration is familiar to them from their work, but the academic literature may be quite new. In discussions concerning the difficulties of international students, it is easy to lose sight of the fact that postgraduate study by its nature should require a significant amount of individual research and thinking, all of which is costly in time and effort. In the field of management, for example, a continuing student would generally be expected to be knowledgeable about public administration issues, the Learning Organisation and Peter Senge's five disciplines, various leadership models, strategic planning and management concepts, human resource development and management, and a host of related theories. Local students also experience the challenges of the disciplinary culture; this is one cultural area in which domestic and international students are faced with similar challenges, but local students are spared the additional challenges of researching in a second or third language.

F. The International Students at Flinders University

The numbers of international students in Australian universities are growing, with a 200% increase in 1997–2002. Analysis of higher education student data shows that 98,477 international students were studying in Australia in 2002, 12.1% of total enrollments in that year, and 35.2% of students studying management (Lukic, Broadbent, and Maclachlan 2004).

In 2004, 947 (60%) of the 1,576 international students who were studying onshore at Flinders University were from the Asia-Pacific Region. Forty-two of the 43 international students enrolled in public administration programs and 24 of the 25 international students enrolled in educational management in 2004 were from the Asia-Pacific region, from 13 different countries. Most of these were from developing countries and were in receipt of scholarships. These were primarily funded through the Australian Agency for International Development (AusAID), while some other students were sponsored by their employing tertiary institutions. In addition to degrees in public administration and educational management, Flinders University offers postgraduate programs in environmental management, health service management, and international business, which all attract significant numbers of international students.

Australian postgraduate students in the public administration program tend to be middle- to senior-level managers in public sector and nongovernment agencies, returning to study after gaining experience in the workforce. Most of them study part-time while continuing to work full-time. Like international students, they are often apprehensive about returning to study, but tend not to access on-campus services such as the Student Learning Centre, which can offer individual support as well as group seminars on postgraduate study skills. International students are able to access seminars targeted at their specific learning needs, but once teaching has started, they are often too focused on coping with the required reading to attend classes. Individual academics need to be vigilant and to share information about student progress to ensure that difficulties are identified early in a student's candidature.

II. Teaching Management and Administration

Two approaches are taken to the teaching of leadership, management, and public administration—a “big picture” review of issues, trends, and directions and an examination of the theory and practice of more specialized areas, such as financial management, human resource management, strategic management, and risk management. The academic literature in these areas

is dominated by the West and is often country specific. Similarly, case study material for these approaches tends to be drawn from the West, often the United States (US), resulting in a gap between the literature and students' own experiences. This is often exacerbated by the language used, which may rely on academic or country-specific jargon.

In the specialized areas of management, both the literature and case studies tend to be based on the private sector, creating a second cultural gap between the private and public sector. For example, in the area of human resource management (HRM), texts are generally written in the United Kingdom (UK) or the US. Where journal articles address HRM issues in other countries, they are generally in the context of private sector organizations. Cultural differences in HRM are usually addressed in the context of multinational companies and the difficulties for managers working in a foreign country. As a result, international students' first response to reading material is often that it is irrelevant to them. Teaching staff must assist students in identifying underlying principles and direct them toward the analysis of the applicability rather than accepting a rejection of the material. This requires explicating expectations.

Leder and Forgasz (2004) suggest that university lecturers explore with students the differences in the learning climate and expectations and provide assistance where these markedly differ. The authors believe that this assistance needs to take the form of making expectations, standards, and norms explicit. The authors also believe that the students' knowledge, experience, and home context need to be overtly valued and included within the learning process, to help the students retain their confidence in the Western academic environment, and to encourage them to adapt and apply their learning within their local environment. Thus, the authors use a variety of teaching strategies that involve the ways in which teaching sessions are structured and make the norms and expectations explicit.

At Flinders University, postgraduate teaching generally takes the form of seminars and workshops rather than lectures in cavernous halls. This means that lecturers can structure the teaching to encourage deep learning, where the students comprehend, interpret, and critically evaluate, rather than force the students to apply shallow learning strategies focusing on memorization and note-taking (Mulligan and Kirkpatrick 2000). This structuring process will usually involve providing explicit session aims, seminar outlines, and handouts to release students from the chore of note-taking. Class activities are explained via visual aids as well as being described verbally, to help international students translate the requirements reasonably quickly. Moreover, session activities often take the form of dividing the class into small groups where students *must* participate in the discussion, but at the same time feel more

comfortable than when speaking to the group as a whole. Discussing issues in these small groups prepares the students for the more challenging activities of answering questions posed by the lecturer and making presentations to the larger session group.

Part of the process of engaging students in class discussion is making them feel that their contributions, and their existing knowledge and experience, are valued. This type of strategy will help students overcome the challenges of ethnic and local cultural difference and, importantly, show respect and interest in the students' knowledge and experience. This can take the form of asking students to prepare examples of their experience in class to share with other students, and formulating assessments that are based on the student's own workplace. Assessments based on the student's own workplace also ensures that they start thinking about their home context in a new way. They are encouraged to evaluate their workplace in terms of new models and theories that give new insights into a familiar context.

A. Rules and Examples Relating to Skills of Writing and Research

In a previous section it was noted that many international students have some difficulty with the practice of critical analysis and synthesis. Critical analysis and synthesis play a part in various induction and research training programs to which international students have access. In the authors' experience, however, a significant number of students, both domestic and international, have problems translating the teaching in these programs to application when preparing assignments. The reasons for these problems, such as the need for orientation programs to make the content relevant to a wide range of fields and disciplines and the time lag between the program and the first assessment, are in no doubt. These programs are usually provided immediately after arrival, when students are distracted by adapting to the practicalities of life in a new environment.

When the student starts submitting work, lecturers follow a tacit error-correction mode of instruction, where students are expected to infer rules of critical thinking from the specific corrections and feedback from the assignments. As one student complained, "(the lecturer) gave me a low mark and told me I had to include critical analysis, but he didn't tell me how to do it." This seems to be a common problem in academic teaching. Smith (2001) describes the tension between regarding research supervision as an administrative practice and regarding it as a teaching practice. In the former, students are expected to learn by inferring principles from watching the academic expert and receiving vague feedback on their work; in the

latter, students have a right to explicit instruction. There is evidence that the requirements of critical academic writing, from the students' perspective, are tacit and ill-defined. According to Egege and Kutieleh: "what counts as evidence of critical thinking is rarely shared with the student. The lack of clear guidelines makes it difficult for students to know what the requirements entail in practice..." (2004: 79)

An effect of these tacit, ill-defined requirements is that the international students are then not equipped to evaluate these Western concepts in terms of their utility for application in their home countries. We have found it necessary and valuable to conduct workshops on issues relating to academic culture, such as critical analysis and synthesis, which are specific to our respective programs. These workshops are accompanied by handouts that include a model of academic writing that shows the place of critical thinking, examples that the students find relevant, and comprehensive explanations of how to approach the task of academic writing. Anecdotal evidence and an increasingly high standard of submitted assignments argues that the more these tacit rules of Western academic culture can be explicated and illustrated for students, the more the students can respond by engaging with theories and concepts in a way valuable to themselves and their home countries.

B. Articulating What Everyone Knows

Part of the challenge of local cultural difference relates to normal practice in what we consider to be mundane, routine things. Normal practice concerning such matters as seeing a lecturer about assignments, choosing and enrolling in topics, arriving for class on time, for Australian students, can be extrapolated from normal practice in their working lives. For international students, however, normal practice is not based on an Australian context. The authors have found that detailed topic outlines with information relating to what is considered normal practice has increased the comfort level of international students. In addition, assessment criteria are often provided that detail what must be covered to ensure a satisfactory result. These assessment criteria guide the student's own research and hence form part of the learning resources. It also enables the lecturer to maintain consistent and fair grading standards.

C Changing Western Mindsets

Teaching public administration at the postgraduate level to mixed groups of local and international students requires a shift in focus for academics, recognizing that each student brings his or her own “expert knowledge” to the class. Rather than needing to be familiar with the situation in every country, eliciting students’ experiences in their home country provides a rich source of material with which to compare and contrast the application of theory. In order to do this, students must be able to actively participate in debates in the classroom, overcoming the challenge of communicating in a second language as well as any individual shyness. As identified earlier, using small group discussions and providing opportunities for practicing presentation skills are useful tactics. Requiring (and modeling) active listening assists in the sharing of knowledge in the classroom. Learning about each other’s cultures provides a basis for surfacing assumptions and biases and discussing the differences, deepening the understanding of both the current public administration context and the exploration of directions for future change.

De Vita (2001) argues that students’ preferred learning styles are likely to be influenced by cultural difference because of the influence of culture on the perception and organization of information and on communication and problem-solving approaches. Using a variety of teaching styles and activities to facilitate learning is thus even more important in a multicultural environment. Use of online interaction through asynchronous discussion forums in small groups and whole class activities can provide a greater opportunity for international students’ engagement, as the medium provides time to think and draft before sharing ideas. It is important to recognize that levels of familiarity with technology may differ, and the authors have found it important to ensure that international students have access to assistance when first using this tool.

As well as recognizing the need to modify teaching styles, it is important for teaching staff to recognize the demands on students (and often their families) of living in a foreign country and to assist them to access the support provided and provide a sympathetic hearing where needed. Scholarship holders often feel pressured to achieve high grades and need to understand the meaning and expectations of grading systems.

III. Materials

Lack of country-relevant material is a common complaint of students. This can be a function both of limited holdings in Australian libraries and limited English-language country-specific resources, or in some instances, the lack of internationally published research occurring in the country. Several strategies can be used to develop local sources. Major student projects based on their own country experience are retained to form a resource of relevant reference materials for the use of future students. If bibliographic data are stored on a database, such as Endnote, students can easily search using parameters of country, contents, and keywords.

Students can be encouraged to make presentations at conferences and to submit work for publication. Not only does this add to the body of knowledge in international public administration; it acknowledges the intrinsic value of the research undertaken and acts as a model for future students to emulate. Staff can share Asia-Pacific references and research, creating local country-specific databases. Links to academics in other countries can lead to the sharing of relevant material as well as opportunities for comparative studies and joint research.

IV. Conclusion

Postgraduate study for students of mature age is always challenging. The challenges are exacerbated by adding the complexities of differences in language and culture and distance from family and support networks. The authors' experiences show that international students can excel, provided they are coached in the academic norms that lecturers may take for granted. Teaching public administration to international students in Australia requires the use of what are in essence effective teaching skills. Reflection leading to improvement of teaching practice to meet the needs of international students can improve the quality of teaching for all students. However, the development of more Asia-Pacific case material is a need in all areas of the teaching of public administration.

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Managing Group Work in Public Policy Programs

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I. Working in Diverse Groups: Learning Outcomes and Assessment

The ability to undertake teamwork or to work in groups has been ranked as an important graduate attribute by employers. There are also pedagogical reasons for public policy programs to provide students with teamwork competencies. At the University of Sydney, the postgraduate degrees in public policy, public affairs, and public administration require students to undertake group work projects, developing teamwork attributes. The University of Sydney is also a member of Australia-New Zealand Graduate School of Government (ANZSOG), and the ANZSOG Executive Master of Public Administration degree has a teamwork project requirement. The challenge of developing group work attributes is multiplied for programs comprising diverse students, a typical feature of public policy programs

Below, we map out the intellectual justification for developing group work skills for programs with students from diverse backgrounds or with diverse attributes; link assessment to the achievement of group work attributes; and present practical examples of how group work skills can be developed and assessed.

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II. Linking Learning and Assessment

A great deal of research has been done into how higher education students learn, with considerable attention paid to assessment. As Ramsden (1992: 187) argues, “From our students’ point of view, assessment always defines the actual curriculum. That is where the content resides for them, not in lists of topics or objectives.” This point has profound practical implications for teaching and learning. If we want to understand what our students are learning, we need to understand what they are doing from their point of view, and what they see in assessment tasks.

The literature on teaching and learning in higher education makes a well-known distinction between deep and surface approaches to learning. As Prosser and Trigwell (1999: 3) put it, students who adopt a deep approach to learning see their subjects as having intrinsic interest, and “aim to understand ideas and seek meanings.” In the surface approach, “students see tasks as external impositions... They are... pragmatically motivated and seek to meet the demands of the task with minimum effort.” They experience their subjects as a disconnected sequence of tasks, and tend to memorize rather than reflect on ideas.

Two key points should be noted about deep and surface approaches to learning. First, as Prosser and Trigwell (1999) argue, a student’s approach to learning is not fixed. Rather, it arises from their prior experience of learning and the way that they experience their present learning situation. It follows, second, that we can influence students’ approach to learning by the way we structure our courses.

When assessment is the principal means used by students to define and engage with their subjects, then assessment will influence the way in which they approach learning. It is therefore crucial to view assessment as part of teaching, not something that happens after we teach. The concept of constructive alignment (Biggs 1996) suggests that the components of our courses, including assessment, should be integrated in a way that makes sense to the students.

When students are unclear about what is expected of them, they are likely to adopt surface approaches to learning (Ramsden 1992). The crucial point is that when students’ primary focus in a course is on assessment, then assessment must align with the course’s aims and objectives as set out by the educator—otherwise students literally will not know what we expect them to do. When assessment is not aligned with other aspects of a course, the result is likely to be confusion, and students typically react to confusion by adopting a surface learning approach. Arguably, then, a case can be made for constructing courses backwards at the development stage. Educators often develop assessment

last, as something that happens after learning takes place. Students, however, begin with assessment.

It is not surprising that we find a mismatch between assessment and course aims and objectives. We can understand this mismatch through the Structure of Observed Learning Outcomes (SOLO) taxonomy, developed by John Biggs (1999), which refers to the cognitive complexity of what the student does, and is defined by the verbs that underlie whatever tasks are set. This ranges in a hierarchy from simply identifying, to describing, to explaining and analyzing, to theorizing and generalizing.

The mismatch arises when our objectives and aims ask students to do one thing, but they experience the assessment as something else. Most educators claim that they wish to encourage higher-level cognitive activities, like explaining and theorizing. Unfortunately, many of our assessment tasks—particularly exams—are experienced by students as requiring the description of facts or the application of formulas. We wish our students to develop teamwork skills, but only assess the final output rather than the group work input. As a result, assessment practices can discourage the very behaviors and development of competencies that we want to encourage.

When assessed appropriately, group work has the potential to encourage a range of desired higher-order learning outcomes through direct student-to-student interaction. Not least important is how diverse groups offer a unique opportunity to understand different interpretations of subject matter and different approaches to problem solving (Biggs 1999: 87). Group work also provides enhanced opportunities for feedback to students, within groups, between groups, and between students and educators. However, simply setting a group assignment is not a guarantee of success. A common problem—manifested, for example, in the dislike many high-achieving students have for group work (Latting and Raffoul 1991; Liden, Nagao, and Parsons 1985/86)—is ensuring that students believe that individual marks reflect the contribution that has been made to the group.

The following sections identify the challenges that diverse students pose for organizing group work. Starting with a definition of student diversity, we make the case that working in diverse teams enhances student learning outcomes. When students are diverse, we provide both a pedagogical case for group work and advance practical teaching and learning strategies to implement group work tasks and assessment. The most important lesson is that diverse work groups cannot simply be established and left to fend for themselves, but require careful management in order to enhance learning outcomes. Two case studies of group assessment follow, one focusing on feedback, the other on peer evaluation methods.

III. Defining Diversity and Team Conflict/Cohesion

This section provides the rationale for teamwork as an attribute for our students, the need to explain to students the benefits of group work competencies, and the imperative to manage diverse student groups.

All work groups comprise diverse members, along a spectrum from high levels of diversity to low levels of diversity. Diversity is measured by a range of variables, including gender, age, sexual orientation, religion, socioeconomic status, education level, family status, physical and mental ability, race, ethnicity, culture, and language. Among employers and educators, a consensus has arisen that diverse teams can perform better than more homogeneous ones. Employers value teamwork skills because diverse groups, managed appropriately, lead to more innovative and positive learning outcomes than homogeneous groups (Cox and Blake 1991). In experiments with homogeneous and heterogeneous groups, Triandis, Hall, and Ewen (1965) and Mcleod, Lobel, and Cox (1993) found significant advantages for the diverse teams in creativity and innovation. Williams and O'Reilly (1998) found that diverse groups have an enhanced capability for problem solving. But diverse groups are often subject to conflict, which reduces their productivity. In the classroom, educators have observed the creative and innovative outcomes of diverse groups as well as intragroup conflict. Clearly, it is not sufficient for educators to claim their students have teamwork attributes simply by providing group work opportunities. Like any other attribute, group work skills must be learned.

It is important that students be educated about the attributes of teamwork, through projects structured to develop teamwork competencies and the management of diverse work groups. Without interventions to manage teams, work groups frequently result in internal conflict. According to social categorization theory, conflict and cohesion arise when individuals in diverse groups are defined by themselves and others in terms of "categories" (Tajfel 1981; Tajfel and Turner 1985; Turner et al. 1987; Hogg and Abrams 1988). By using gender, ethnicity, nationality, language, or religion to categorize, some students are "in-members," while some students are defined as "other." Interacting with those in one's category reinforces self-identity and increases group integration and group cohesiveness, encouraging communication and learning outcomes (Ibarra 1992, 1993, 1997). Those students classified as "other" are shrouded in assumptions and stereotypes, finding their group less friendly and ultimately less cooperative. The categorization of "ins" and "outs" is amplified in public policy programs, where students can be easily categorized by language, race, or nationality, or by their seniority in their government agency, previous experience, and expertise.

IV. Pedagogy and Practice of Group Work: Mental Models, Diversity, and Learning

Work group competencies are highly valued attributes, both by educators and employers. Students also see them as important skills. Unfortunately, the advantages of working in groups are rarely developed as part of the pedagogy of the public policy program. This is surprising when group work is one of the most important ways that students learn.

How do individuals and groups “learn”? Individuals (and groups) learn by changing their mental models. Mental models are the schemes, beliefs, viewpoints, methods of reasoning, and intuitions that an individual uses in approaching and processing information. It also involves the know-how and skills that individuals apply to tasks. Mental models depend on an individual’s past experiences, including his/her family, educational, cultural, religious, national, work, and gender background, and on his/her current experiences and observations. Mental models capture the students’ knowledge structures, which filter how students “make sense” of problems and information (Nadkarni 2003). As mental models become more complex, or as mental models change, students learn.

Mental models or cognitive schemata are socially formed and “evolve based on social paradigms” (Bhatt 2000: 89) (this section is based on Mitchell and Nicholas 2004). The idea that all cognitive learning occurs at a social level means that learning is mediated by others and that social dialogue is an important component of learning. Group work is both an efficient and a necessary way to enhance social interaction and dialogue, which promotes learning (Brown and Duguid 1998, Duguid and Brown 2001).

But educators need to facilitate learning within groups, rather than simply forming groups. Most learning involves steps: first, the preparation for dealing with the problem, where information is gathered. Second, a diagnosis of the problem takes place, where students combine disjointed and remote knowledge, understandings, and information. Finally, learning (new knowledge creation) occurs when the problem is evaluated using the relevant group’s and individuals’ criteria, which results in the verification of the solution to the problem. At each step, students with different mental models, which are the basis of all diversity, enrich the process of problem solving. When an individual’s mental model becomes more complex and changes, he or she learns. Similarly, when groups share aspects of each individual group member’s mental model, when these shared mental models change, then groups may be said to learn.

V. Organizing and Managing Diverse Groups

What are the costs of not managing diverse student groups (Williams and O'Reilly 1998)? Studies have shown that the formation of “in-members” and “other-members” leads to decreased satisfaction with the “job” and, within the work group, increased absenteeism and turnover, lowered levels of intragroup cohesiveness and communication effectiveness, higher levels of conflict, greater factionalism, and decreased cooperation with managerial goals (Milliken and Martins 1996). According to an 80-study research synthesis by Williams & O'Reilly (1998), the most cited effects of social categorization on group process were that diversity typically resulted in increased conflict, communication problems, and factionalism. Empirical studies conclude that turnover is higher for groups composed of members with greater diversity (O'Reilly, Caldwell, and Barnett 1989; Wagner, Pfeffer, and O'Reilly 1984). The evidence suggests that heterogeneity influences group dynamics and that in turn shapes the turnover dispositions of all members, not only other-members of the group. This explains why student groups can be unstable, with high levels of conflict, and why students resist group work.

The organization and management of groups is more demanding when no pre-existing group with existing internal group dynamics ensures cooperation rather than conflict. Groups formed in a course

1. do not have a history of working together, therefore there is no previous information about members' expertise;
2. do not have an expectation of working together in the future, which constrains how much and what sorts of information members reveal;
3. do not have members whose expertise is made explicit by virtue of their position, title, or role, which means that no one facilitates the exposure of unique or hidden knowledge; and
4. do not have established group norms where newcomers will perceive that the exchange of unique and hidden information is expected .

This suggests that educators need to organize groups carefully. Most important, educators need to develop open-mindedness norms within groups that lead groups to better reflect on others' ideas, make greater attempts to understand the position and information presented by others, and develop greater motivation to hear more about others' arguments. Select strategies are required to help team members try to understand opposing viewpoints, consider the opposing ideas seriously, and incorporate them into their own perspective (Tjosvold 1998; Tjosvold, Morishima, and Belsheim 1999; Eisenhardt 1999).

VI. Student Satisfaction and Group Work Performance

Although students know that group work attributes are important, they resist teamwork and joint projects. Adapting Williams and O'Reilly (1998: 82), group performance can be defined using three criteria. First, group outputs should meet or exceed performance standards set by the educator and should be clearly communicated to the students. Most assessment schemes measure group output, but students have a high priority for each group member's individual input to be assessed. Since observation of input by the educator is difficult or impossible in most situations, self-evaluation and evaluation of members by one other are the standard assessment devices. Assessment of one another allows "free riders" to be identified. Second, group performance should ensure that the social processes utilized in the performance of the task enhance or maintain the capability of members to work in groups in the future. Third, performance should ensure that group members' personal needs are satisfied, rather than frustrated, by the group experience. In other words, learning should be enjoyable, and each group's work experience should develop both the skills and the commitment for future group work (see Williams and O'Reilly, [1998]). Below we suggest ways of managing group work, identifying free riders, and undertaking surveys to provide data allowing the better design and management of groups.

VII. Practical Applications

We illustrate the practical application of using group work in assessment through two case studies focused on feedback and peer assessment. At the University of Sydney, we are conducting trials of feedback and assessment practices in selected courses to identify practices that can be applied more widely. In both examples, the experiences in marketing and finance will be expanded to courses in our public policy program.

A. Feedback Case Study

The importance of student feedback in assessment is crucial to the achievement of learning outcomes. The portfolio of assessments used in a course should be designed with a specific set of learning outcomes in mind. To many students, the assessment itself often serves as a point of feedback of their progress in the course. When the feedback is only in the form of a mark or grade, this does not convey much other than a "good" or "not good"

dichotomy. This does not aid learning, as it does not lead to any direction or aspect that could be improved or positive highlights that could further motivate the student. Feedback also works both ways, as it gives information to the educator if the teaching and learning is taking place according to the objectives set out.

In the context of group-based assessments, the role of feedback is even more instrumental in shaping progress of both the individual student and the group. Feedback mechanisms can and should be put in place formally by the educator (given by the lecturer to the student/group) and informally (given by the students to each other). The purpose of feedback is to engage the student, group, and educator in a dynamic dialogue that encourages all parties to be engaged with one another.

An example of how feedback mechanisms can be incorporated in group-based assessments is illustrated in an undergraduate Marketing Principles course with 800 students. The assessment portfolio for this course is illustrated in Table 1.

Table 1. Assessment Portfolio

Group Marketing Plan	20%
Individual Marketing Plan Activities	10%
Group Presentation	10%
Mid-Semester Exam	20%
Final Exam	30%
Class Participation	10%

Source: Student course outlines from authors' courses.

The Group Marketing Plan is a project to be completed by a group of three to five students from the same class and is due on the last day of the teaching week (week 13) of the semester. A marketing plan is a report that is made up of various sections with a strategic nature. Groups have the choice of doing a real marketing plan for a company or a hypothetical launch for a new product into a market in which they have identified a gap. It is also recommended that groups choose an organization i) that has not previously formulated a marketing plan, and ii) where at least one group member has a close personal contact within management. A hands-on approach is required for groups to do well in this practical assessment.

In terms of managing the group process within the course, several checkpoints were put in place to provide mutual feedback between students, groups, and the tutor, as illustrated in Table 2.

Table 2. Feedback Checkpoint

Feedback Checkpoint	Time
Group establishment form and 1-page proposal	Week 3
Qualitative progress report form submitted by each group member	Week 7
Cumulative individual activities that build up toward the marketing plan	Week 5, 6, 8, 10
In-progress presentation of the plan	Weeks 11–13

Source: Student course outlines from authors' courses.

The Group Establishment Form and the proposal provide the first point of feedback given to students on the feasibility of their choice of products to market. The qualitative progress report form allows for self-evaluation of how each group member thinks the group is progressing. This is another checkpoint as an avenue that allows tutors to give feedback accordingly, and students have been more than willing to use this to express their concerns/grievances over group issues if there are any.

The marketing plan is a lengthy document that requires students to be creative, analytical, strategic, and resourceful. It is common for groups to underestimate the time and effort required in producing a good marketing plan. To alleviate this, sections of the marketing plan have been broken down to cumulative activities that are individual in nature. Even though the group marketing plan is not due until the end of the semester, these activities build up toward the final document and are individually based. This is to ensure that every individual group member has input into various aspects of the planning and preparation phases, right through to the compilation of the final marketing plan. These individual activities allow students to brainstorm ideas and eventually lead to group interdynamics to reach a consensus for the benefit of the group's marketing plan. Tutors return marked activities the following week with feedback, which allows groups to meaningfully assess each individual member's input and decide on one coherent idea. This process ensures that adequate and cumulative feedback is given not only to students but to the group.

The in-progress presentation of the marketing plan is the last assessment item before final submission of the written plan. This serves as the final checkpoint for feedback that is given to groups before the final polishing and completion of their plans. This example illustrates “best practice” management of diverse work groups.

B. Peer Assessment Case Study

Despite the obvious benefits of group work, the inherent problem with it in a university environment is that there is no penalty for “free riding.” Tutors are unable to identify what contribution each group member has made to the group’s assignment. This is typically the biggest criticism that students make to educators when asked to evaluate working in teams. Free riding means that an individual’s input is not fairly assessed and teamwork is not enjoyable. This is reflected in students’ resistance to working in groups.

In order to assess the input into the assignment, rather than simply the output, a Finance course implemented a peer assessment system. This system creates an opportunity to measure the contribution of each team member in order to reward the high achievers and prevent or reduce free-rider problems. One of the side benefits of doing this is that it also addresses another of the generic attributes of graduates: the ability to evaluate oneself and one’s peers.

Self-evaluation and peer assessment were tried out in three finance courses in 2003, with 836, 302, and 47 students respectively. Given the large number of students involved, an on-line self- and peer assessment system known as the Self and Peer Assessment Resource Kit (SPARK) was implemented (for further details about SPARK see: <http://www.educ.dab.uts.edu.au/darrall/sparksite/>). SPARK has a number of benefits. First, it ensures student confidentiality, therefore giving students a greater incentive to complete the task honestly without fear of retribution from other group members. Second, it makes administration much easier for staff.

Peer assessment initially met with some resistance from a small number of students. Some students felt it was inappropriate to be asked to evaluate themselves and their peers. Others were concerned about the possibility that other students would mark them down for no reason in order to boost their own marks. It was important to discuss these issues with students, address their concerns, and ensure their “buy-in.” In tutorials, students were involved in the process of identifying the criteria that should be used for self- and peer assessment. The criteria for evaluation should be broad

and not relate to specific tasks, for example, completing tasks on time, helping coordinate the group, and the level of enthusiasm and participation.

We encouraged students to run their group like a business. That is, have regular meetings, have an agenda for their meetings, keep minutes, and agree on an action list with team members assigned responsibilities for tasks. While this is good practice, it also helps us to adjudicate if there is a dispute at the end of the process. They were also encouraged to discuss issues and problems with one another as they arose, rather than waiting until the peer assessment process was complete.

On completion of the assignment, students scored their own contribution and that of their peers using the previously specified criteria. SPARK calculates a factor that is used to adjust the group mark. A SPARK factor of 1 means that the student's contribution was average for the group. These students receive the group mark. A SPARK factor of greater (less) than 1 means that their contribution was above (below) average for the group and their individual assignment mark is adjusted by this factor.

Table 3 illustrates the distribution of SPARK factors for each course. It illustrates the number of students receiving a SPARK factor of less than 1, equal to 1, and greater than 1. A SPARK factor of less (greater) than 1 indicates a below (above) average contribution to the group assignment. Approximately 40% of undergraduate students and 50% of postgraduate students received a SPARK factor of 1. This means that the student's contribution was average for the group. The remaining students received either a higher or lower mark than the group mark based on their contribution. With between 25% and 30% of students receiving a SPARK of <1 , free riding was a significant problem and peer assessment was essential for effective and fair group assessment.

It is also noteworthy that in Table 3 relationship between the SPARK factor and student grades in the final exam and for the course overall is strong. Students with a SPARK factor of less than 1 were more likely to underperform across all subjects. This may suggest that the SPARK factor accurately captures the weaker contribution of these students to the group assignment. However, it also suggests that these students may need greater assistance in these courses. The SPARK factor may be an early warning sign that these students are at risk of failing.

Students were given the opportunity to appeal their peer assessment if they felt that their SPARK factor did not accurately reflect their contribution. These students were required to demonstrate why their contribution deserved a better mark than they had been awarded by their peers. Surprisingly few appeals were received—only five appeals in the course with 836 students. In four appeals, it was the student receiving the low score who initiated the

appeal. Each group was interviewed, and in all cases it became clear that these students had not contributed. This gave us confidence that the peer assessment process had worked well. The postgraduate units had no appeals.

Students in all courses provided feedback on their experience with group work and SPARK through end-of-semester evaluations and through informal discussions with staff. Feedback from students was overwhelmingly positive. Even those who were involved in the appeals felt that having peer assessment was a fairer way of evaluating group work. They felt it reduced free riding and encouraged everyone to contribute more.

Table 3. SPARK Factors and Grades

	Number of	Final Exam Grade Students	Overall Course Grade
Panel A: Core Undergraduate Course			
SPARK < 1	254	45%	54%
SPARK = 1	327	53%	61%
SPA RK> 1	255	54%	
Panel B: Core Postgraduate Course			
SPARK < 1	70	42%	56%
SPARK = 1	154	52%	66%
SPARK > 1	78	54%	66%
Panel C: Elective Postgraduate Course			
SPARK < 1	13	69%	63%
SPARK = 1	22	76%	71%
SPARK > 1	12	72%	67%

SPARK = Self and Peer Assessment Resource Kit.
Source: Summary of student grades from authors' courses.

Table 4 provides details of a specific survey about SPARK in one of the postgraduate courses. Forty-six of the 47 students enrolled in the course responded to the survey; 57% of them agreed or strongly agreed that they would rather have peer assessment when completing group work. Only 22% of them disagreed or strongly disagreed with this statement. Over 50% of the students indicated that having peer assessment made them contribute more to the assessment task and that the assessment criteria were appropriate. Fifty seven percent of students agreed or strongly agreed that their peer assessment score was a fair reflection of their contribution.

Students with a SPARK factor of less than 1 were more likely to disagree or strongly disagree with this statement. Only 9% of students reported that SPARK did not allow them to give an honest assessment of their team members' contributions.

Interestingly, a mixed response was received to the question of whether students felt a need for more direction when completing group work. It is noteworthy that students with higher grades were more likely to disagree with the need for support in this area. This again suggests a need for further support for underperforming students.

Table 4. Student Feedback

Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Average
If we have to do group work, I would rather do it with peer assessment.	10	16	10	6	4	3.48
Having peer assessment made me put greater effort into the assignment.	7	18	8	9	4	3.33
I think the peer assessment criteria were appropriate.	7	19	14	4	2	3.54
I think the peer-adjusted mark I received is a fair reflection of my contribution.	8	18	13	6	1	3.57
Using SPARK enabled me to give an honest assessment of the contributions of my teammates.	12	19	11	3	1	3.83
If you want to make us do group work, teach us some group work skills.	4	13	20	5	3	3.22

Source: Student surveys by authors.

VIII. Conclusions

This paper argues that when group work is a graduate attribute and forms part of the assessment, the benefits of group work in diverse teams need to form part of the curriculum. Second, the research on the benefits and costs of organizing work for diverse groups shows that diverse groups need to be managed. We argue that feedback was one powerful practice allowing diverse groups to be managed, and that peer and self-assessment of group work both reduced free-riding problems and was appreciated by students. Group work not only enhances the attributes of students, but is an attribute highly valued by employers.

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Teaching Public Policy in MPA Programs in the People's Republic of China

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I. Introduction of the Master's in Public Administration in the People's Republic of China

Inaugurated in the US in the 1920s, in many countries nowadays the Master's in Public Administration (MPA) is the most important professional education tailored to employees in the public sector. Although it has its origins in academic fields such as political science, management, and law, public administration has already developed into an interdisciplinary program integrating knowledge and methodologies from political science, economics, sociology, psychology, law, and so on. As the essential professional training for career civil servants, MPA education and related programs with other titles are provided in universities in many countries.

The People's Republic of China (PRC) has been undergoing rapid industrialization for the past 2 decades. Now it faces the problems and challenges similar to those of other industrializing countries. Reform efforts to rationalize public administration and improve state administrative capacity have been going on unceasingly since the early 1980s. MPA education is regarded by PRC practitioners as a landmark of public administration education and is expected to modernize the PRC's state administration (Liu 2001, Ji 2001). Labeled as professional education, the PRC's MPA education claims to professionalize the country's civil service to embrace the Party's new cadre strategy.

Because the PRC is an authoritarian party-state, public administration is overshadowed in terms of both administrative structure and personnel management by the Communist Party apparatus, as all civil servants, or "cadres" in Chinese official jargon, are controlled and monitored by the Party. Since the initiation of the market transition in the late 1970s, PRC society has changed fundamentally from a closed agrarian country to an open industrialized one. For the first time in the history of the PRC, the country has to deal with a broad swathe of problems like unemployment, poverty, the rural-urban divide,

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regional disparities, floating population, pollution, and crime. These new problems generate the great need for complex policy and administrative capacity. The increasing integration with economic globalization signaled by the accession to WTO in 2001 adds new momentum for the PRC to transform its public administration system and enhance its administrative capacity so as to accommodate to the new social and economic setting.

Against this backdrop, in the late 1990s, the PRC Government decided to transform its administrative structures and functions, and seek to build up a corps of administrators with a high level of competence and professionalism. As a way to professionalize PRC civil servants, MPA education was proposed by some students of public administration. The Government accepted their suggestion. In spring 1999, an expert group was set up by the Ministry of Education, the Ministry of Personnel, and the Office of the Academic Degree Commission (OADC) of the State Council to work out the preliminary plan for MPA education. The Government approved their plan in the same year, marking the official introduction of MPA education in the PRC.

In April 2000, the OADC, the highest official organization in charge of the validation of academic degrees in the PRC, began to invite universities to apply to host MPA programs. Twenty-four universities were singled out and authorized to offer an MPA program on an experimental basis. Meanwhile, the National Steering Committee of MPA Education was established to direct and coordinate the MPA education activities. In spring 2002, the first batch of MPA students enrolled in the 24 universities. In August 2003, another 23 universities were allowed to host MPA programs. The introduction of MPA education in the PRC is a manifestation of the efforts of PRC authorities to build up state administrative capacity, and represents a departure from the conventional cadre training in China.

II. The MPA Curriculum

As a professional education program, the MPA targets employees in the public sector. Unlike the conventional research degree programs, the MPA aims to offer students applied courses that enhance their problem-solving capacity. To do so, OADC designed the official curriculum of the MPA program, which serves as a guideline for all MPA host universities. The curriculum structure is based on a credit system and comprises five sections: core courses (30 credits), compulsory specialized courses (around 10 credits), selective courses (around 8 credits), internship and seminars, and a graduate thesis. Each course represents two or three credits, depending on its length and difficulty. At first, an MPA graduate was required to achieve at least 50

credits; the amount was reduced to 42 credits in 2003 in response to students' complaints of the heavy burden. Core courses are foundation courses for all MPA students. Compulsory specialized courses are set up for a variety of specialties under the MPA umbrella, including education administration, land administration, human resource management, and public economy. Students are allowed to choose one specialty and take the relevant courses according to their interests or needs. Besides these compulsory courses, a large pool of elective courses is available.

A. Core Courses

The core courses are designed to equip MPA students with the basic theories, methods, skills, and relevant knowledge of public administration. MPA students are required to take 10 core courses, nine of which have been provided by OADC as follows: theory and practice of socialist construction, public administration, public policy analysis, political science, public economics, administrative law, quantitative analytical methods, information technology applications, and foreign language.

These core courses can be divided into two categories. The first aims to provide students with some basic knowledge of public administration and governance, including political science, public administration, economics, and law. The second is concerned with the techniques and methodology essential for public policymaking and implementation, including language skills, computer skills, policy analysis methods, and quantitative analytical methods.

B. Compulsory Specialized Courses

In order to cover the different interests and demands of students, a variety of specialties is offered under the MPA umbrella. After completing the first year's core courses, students are allowed to choose their preferred subfields. Students in different specialties are required to take some compulsory courses with a focus on the knowledge and skills necessary to that field.

Unlike the core courses, universities are granted relative autonomy in designing their specialties based on their academic advantages. As a result, the specialties offered by universities are highly diversified. Usually, a university provides four to six specialties. But several universities with strength in public administration study provide much more. For example, the MPA program at Renmin University of China offers 17 specialties, Peking University provides nine, and Fudan University seven. The main subspecialties include public

policy, social security, human resources management, education administration, cultural and technology administration, foreign affairs management, national security management, performance management, government-enterprise relations, mass media management, management science and quantitative analysis, environmental management, nonprofit organization management, land administration, public economy, regional and urban administration, E-government, health administration, community administration, public project management and evaluation, financial management, and strategic management.

These specialties are not well defined, or are defined very arbitrarily. Their diversity also reflects the impacts of market forces, as universities are competing for students. As a user-charge program, more students enrolled means more money for the host university. In order to attract more students, individual universities are trying hard to make their program more appealing by offering more market-oriented specialties, even though its teaching capacity may be limited.

Among these specialties, public policy study is one of the most popular. Policy-related courses cover a wide range of policy domains, such as labor policy, foreign policy, environment policy, land policy, national defense policy, technology policy, health care policy, social security policy, and education policy.

III. Teaching Public Policy in the Masters in Public Administration Program

As discussed previously, public policy is not only an MPA core course, but also a popular specialty. Public policy as a course aims to equip students with the basic theories of policy process and analytical tools of policy analysis. As a specialty, public policy generally offers courses such as policy making, policy process, policy analysis, comparative public policy, social policy, and public policy in the PRC.

Without doubt, the teaching of public policy in the PRC is still in its infancy. Based on personal observation and exchanges with colleagues, I have identified a few problems relating to teaching public policy in the PRC.

First, public policy is newly hatched as a concept, let alone as a discipline. How to define public policy is still a controversial issue. The history of teaching public policy as a course in PRC universities is about 10 years old. The first public policy program was offered at a university in 2002. Policy discourse has not found its place in official policy addresses.

A survey targeted at current MPA students revealed that their knowledge of public policy was very poor (Table 1). Basically, most of them have no systematic understanding of public policy.

Table 1. MPA Applicants' Knowledge in Some MPA Courses

Core Courses	Studied systematically	Have Some Knowledge	Have No Knowledge
Public Economics	12%	36%	52%
Administrative Law	17%	56%	27%
Public Administration	10%	48%	42%
Public Policy Analysis	1%	37%	62%
Political Science	31%	55%	14%

Source: Qi Zhongying et al. 2001.

Second, the number of qualified teachers is insufficient. The rapid growth of public administration education in the PRC has clearly surpassed the supply of qualified teachers. The career backgrounds of faculty members in public administration were surveyed, showing that few of them have received formal training or done research continuously in the field of public administration. In fact, many of them shifted from other disciplines, such as scientific socialism. This situation also applies to public policy teaching. Most public policy teachers transfer from other disciplines. They lack not only teaching experience but also practical policy-making involvement. However, expanding public administration education in universities has produced a large number of young scholars in the field. In addition, the brighter future of the discipline has attracted scholars from other disciplines to become involved in public administration education. Increasing academic exchange opportunities in recent years have given PRC scholars international exposure. Many of them have been research fellows or visiting scholars in the United States (US), the United Kingdom, Japan, etc. International conferences also give PRC scholars chances to experience intellectual discussion and education practice in other countries. Though we have not surveyed the careers and academic backgrounds of PRC scholars, it is fair to say their overall qualifications have been increasing rapidly.

Third, the indigenous course syllabi of public policy are underdeveloped. As a new discipline in the PRC, it is too early to say it has developed its own course syllabus. So an easy way is to borrow from the West, especially the US. A large number of US policy books have been translated into Chinese for

teaching and reading materials. Some universities even make direct use of English texts. Even policy books written by PRC scholars are basically a mixture of English methods. Public policy teaching has a heavy American imprint on its structure and curriculum. Though “borrowing” is useful in the early days, some problems have arisen, for example, misunderstanding of terminology due to word-for-word translation, and the epistemic gap between Western concepts and PRC experiences.

Fourth, teaching modes and skills are not well developed. Though seminars, workshops, and electronic skills are used occasionally in some universities, most courses are taught in the form of lectures. The tutorial as a teaching mode is basically not adopted. In-class discussion is not widely encouraged. Due to the low transparency of the policy-making process in China, it is not easy to collect and compile policy-making cases for teaching and research. As a result, the case database of public policy is still under construction. As the content and orientation of in-class teaching show no distinct differences from those for conventional master's degree education, public policy teachers face the challenge of how to provide quality teaching. In fact, teaching quality has become a main concern of MPA students. They comment on teaching performance in their online Broad Bulletin System (BBS). PRC scholars reached a consensus that upgrading teaching methods and improving teachers' techniques is an urgent mission for today's MPA education. They admitted that many teachers have not adapted themselves to the new requirements for teaching a professional degree. Though it is understandable that quality teaching takes time to develop, the low quality of present teaching is definitely a major barrier to the uniqueness and attractiveness of MPA education.

Fifth, it is not clear how to use Western theories in a PRC context and develop a public policy syllabus with local features. This problem is closely associated with the third one. Western theories without PRC empirical knowledge cannot attract PRC students.

Last but not least, policy analysis practices are not popular in the PRC, either in administrative activities nor in the academic community; therefore, it is hard to find relevant cases for teaching. Though the PRC Government has shouted the slogans of scientific and democratic policy making for many years, policy evaluation and analysis is not popularized within the government.

IV. Conclusion

With the PRC governed by the Party's policy, public policy study and teaching are of great significance in the country's political development. MPA education is a new thing and will have a positive impact on good governance. Although teaching public policy in MPA programs in China is formidable and challenging work, its prospect is promising and encouraging. In order to enrich the teaching experiences and enhance the teaching quality, international support and exchange are essential for PRC public policy teachers.

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Using Extended Role-Plays to Develop Policy and Decision-Making Skills in Cases Where Interpretations of What is in the “Best Public Interest” are Strongly Contested

Mark Richard Hayllar¹

I. Introduction

In theory, good governance requires policy makers and administrators to make and implement decisions that best serve the “public interest.” In practice, however, it is seldom clear just where the public interest lies. When decisions must be made that cut across strongly conflicting opinions as to what the public interest is, decision makers may need to engage actively with as many stakeholders as possible. They may need to hold public meetings or inquiries to access information required for effective decision making and to gain deeper and wider insight into the different perspectives and issues involved. At the same time, decision makers will need to respond to searching questions and pressures from politicians, interest groups, community representatives, and the media and to justify their actions. Explaining and defending the need for a decision or the decision-making processes adopted, as well as the final decision reached, are not, however, within most middle-ranking officials’ daily responsibilities or experience. Providing opportunities to experiment and learn from a review of their simulated performance in such tasks, but without the necessity of having to bear the genuine consequences of mistakes, can help such staff to gain a deeper understanding of key public sector concepts and decision-making processes and also prepare for further career advancement.

This paper reports on a training approach developed as part of a four-day residential program—a major element of the City University of Hong Kong’s part-time Master of Arts in Public Policy and Management (MAPPM). During the Residential, the participants, primarily practicing middle managers from a diverse range of public services along with a few students working in the private sector or as local politicians, develop insights and skills necessary for making decisions in contexts in which perceptions as to what the public

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interest might be differ strongly. The role-plays, which can involve from 20 and up to as many as 100 different participants, entail a wide range of activities and community- or government-initiated engagements that promote a more critical and rounded understanding of the theoretical and practical complexities entailed in making decisions in the public interest.

II. Making Decisions in the Public Interest—a Conceptual Perspective

Serving the public interest is the fundamental mission of governments and public institutions. Citizens expect individual public officials to perform their duties with integrity, in a fair and unbiased way (OECD 2003).

“Public interest,” reflecting some collective, overarching community interest or national good, rather than the narrower interests of officials or some other small, self-serving group, is supposed to guide responsible administrative decision making. Discerning clearly just where the public interest lies, however, is seldom an easy task. According to Walter Lippmann:

Living adults share, we much believe, the same public interest. For them, however, the public interest is mixed with, and is often at odds with, their private and special interests. Put this way, we can say, I suggest, that the public interest may be presumed to be what men would choose if they saw clearly, thought rationally, acted disinterestedly and benevolently (cited in Starling [1993: 167]).

Determining what is in the public interest with regard to a particular decision is not the only problematic issue. The perspectives on how best to identify what broadly constitutes the public interest are also numerous. For example, can the public interest best be discovered by aggregating, weighing, and balancing the various competing interests involved? Or should it be a matter of identifying the common interests in accordance with the prevailing values in society today? To what extent are conceptions of what is in the public interest dependent upon the processes of decision making? And are processes that entail pluralistic or democratic decision making more effective at determining what is in the public interest than those that place their reliance on other sources of authority, such as expert knowledge?

Approaches and arguments on these and related issues are unending and vary widely. Burke (1774), for example, advocated a unitary, objective concept that emphasized the importance of representation, political activity, and

engagement in rational deliberation to secure a consensus on the “best interests”—or “general good”—of the whole society as opposed to the specific or particularistic interests of a minority. Such *unitary concepts* frequently highlight wider “collective moral imperatives” such as social justice, stability, and order and tend to reflect the interests of the polity or state as a whole (Alexander 2002: 229–30). Within the unitary tradition, another approach, that of *communitarianism*, focuses on the interests of collective communities, reflecting their cultural values and norms. An entirely different approach, however, is taken by *classical utilitarianism*. This proceeds on the basis that the public interest can best be found by aggregating and maximizing individuals’ subjective preferences. This approach is often associated with the techniques of welfare economics, such as cost-benefit analysis, that are used, often highly controversially, to arrive at judgments about the common good (Alexander 2002, Campbell and Marshall 2002). The predominant outcome or substantive focus shared by both unitary and utilitarian approaches is also partly reflected by *norm-based* or “*deontic*” approaches. These view the public interest “in terms of upholding individuals’ and affected groups’ rights, based upon principles ranging from liberal democracy to ultra-liberal individualism and libertarianism” (Alexander 2002: 232).

Alexander (2002: 232) notes that deontic approaches have both “substantive and procedural aspects,” with the former relating to the “positive institutional rights” that “can be deduced from acknowledged basic principles (such as human dignity, equal treatment, and property rights).” Procedural respect for individual rights—giving great importance to issues of “fairness or due process, sound administration and transparency, and public or third party participation” (Alexander 2002: 232)—has been argued most strongly by supporters of “*libertarian individualism*,” such as Nozick (1974). Deontic approaches are increasingly echoed in international calls for enhanced “community engagement” and participation in public decision making and planning. The United Nations Copenhagen Declaration (United Nations 1995) or the OECD’s briefing paper on citizen engagement (OECD 2001) provide examples. Such calls also reflect another procedural, or *dialogical*, approach to public interest. Dialogical approaches focus on interactive processes between stakeholders and affected parties that range “from pragmatic political discourse, to utopian open dialogue and consensus” (Alexander 2002: 233) and that function as a “means of arriving at consensus and agreement” (Campbell and Marshall 2002: 179). Procedural norms and processes are highlighted and dialogical approaches are often linked with participatory forms of democracy,

but in the context of institutional structures which seek to avoid antagonistic clashes of self-interest and the development of *open dialogue* encouraging the emergence of *shared solutions* through the uncovering of *new forms of knowledge and understanding* Campbell and Marshall 2002: 179–80).

Despite the considerable appeal of dialogical approaches to public interest and communicative discourse as a means to legitimize policies and decisions, the difficulties with realizing them in practice are considerable, especially when, at the end of the day, substantive decisions must be made. Thus, as Campbell and Marshall (2002: 181) note, given the many differences and inequitable distribution of rights, resources, powers, and “given the deep divisions of interest within society, the persistence of disagreement and the prevalence of discord and conflict, it seems unlikely that a consensus can be discursively constructed”.

As the discussion above suggests, the academic literature has long debated the relative merits of differing interpretations of “the public interest” as a legitimizing concept that can be used to justify public decisions. While some postmodernist writers argue that such “universalizing” concepts are meaningless and cannot be operationalized in a world full of differences (Reade 1987, 1997, Sandercock 1998, both cited in Campbell and Marshall 2002), others continue to maintain that the central problem that the concept tries to address nonetheless remains with us. Thus, for example, both Campbell and Marshall (2002: 164) and Moroni (2004: 163) reiterate Flathman’s (1966) statement that

determining justifiable government policy in the face of conflict and diversity is central to the political order... The much discussed difficulties with the concept [of public interest] are difficulties with morals and politics. We are free to abandon the *concept* but if we do so we simply have to wrestle with the *problems* under some other heading (Hashman 1966:13).

Alexander (2002: 226) likewise argues that however the academics might wish to debate over public interest as a concept, the reality is that “for planners and the planning profession, the public interest has always remained relevant as a legitimating principle and a norm for practice.” The “ineliminability” and “irrefutability” of the concept of “the public interest” is also argued strongly by Moroni (2004: 163) in his analysis and reconstruction of the public interest criterion. Such opinions are certainly consistent with the views of bodies such as OECD (2003) and are also reflected in much of the practitioner-oriented literature that exhorts

governments to enhance their engagement with their communities when making public decisions (OECD 2001; United Nations 1995).

Ultimately, however one might wish to define or approach the public interest, and to engage with relevant stakeholders, legitimate choices must be made. Campbell and Marshall (2002: 182) state that decisions in “planning cannot evade what Harvey (2000) refers to as the dialectic of either/or. Closure must occur when one design or alternative is materialized as opposed to others... (thus)... closure is in itself a material statement that carries its own authority in human affairs.” Public interest, then, in the “descriptive sense of defining what is good,” thus remains for most governments, politicians, and public services an important and frequently used “normative standard against which decisions or policies can be evaluated” and a basis for justifying “action in situations where there is disagreement” (Campbell and Marshall 2002: 165).

It is with the issue of how decision makers and administrators, faced with the need to reach closure in a contested decision, can enhance their abilities to understand and operationalize such concepts that the remainder of this paper is concerned.

III. Making Public Decisions in Hong Kong—the Context

The Hong Kong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC) is unusual in that it is not a state but has nonetheless a relatively autonomous and highly developed economy. The government is not fully elected but an executive-led administration. Opportunities for public—as opposed to elitist—participation in public decision making are exceedingly limited. A Chief Executive (CE) is appointed by the PRC to rule the territory and is supported by a permanent civil service that is led by a small cadre of powerful administrative officers. Since 2002, however, the CE has introduced and appointed a new tier of Principal Officials (POs) who are directly accountable to the CE alone. Whereas in the past the most senior civil servants led policy making and implementation in their respective policy bureaus and departments, the new POs are neither elected, nor can they be serving members of the civil service. Instead, the POs are supposed to act like ministers, with responsibility for making policies and for defending them to the public and media and in the political arena. In effect, however, although the most senior civil servants now function more as permanent secretaries than top policy makers, it is the civil service that still makes and implements most public decisions within the context of the broad policies outlined by the POs.

In addition to the POs and civil service, the CE is aided in his policy making by an appointed Executive Council (ExCo) that consists primarily of all the POs plus a few other of the CE's nominees. The ExCo discusses and advises the CE on policy initiatives and agrees on major policies before these are sent to the Legislative Council (LegCo) for formal passage into law. The LegCo has surprisingly few powers other than those of scrutinizing, questioning, and passing the laws and expenditure requests that are presented to them by the administration. LegCo members do not form the government and are not empowered to formulate public policy, a function that remains the preserve of the CE and the POs. Half of the 60 LegCo members are elected on the basis of geographical constituencies, with the other half being returned from functional constituencies that give additional votes and seats to a very small but powerful set of elite business and professional groups that generally act in support of the Government.

At the local level, no system of empowered, representative local government exists per se, but a system of District Councils acts as sounding boards or advisory bodies to the Government. District councilors are for the most part elected from geographical constituencies. However, when the 2003 elections resulted in what the CE perceived to be too many democrats in the councils, he appointed a total of over 100 additional members to ensure that support for the Government's policies could once more be maintained and potential opposition at the local level overruled. Such a system does very little to empower citizens wishing to take part in local decision making and fails equally to encourage or offer opportunities for much in the way of other forms of community engagement. While a number of other advisory bodies exist, these tend to be open to only the very select few and have little real power. As the 2002 outbreak of Severe Acute Respiratory Syndrome (SARS) illustrated only too clearly, the lack of a tradition and working systems of community engagement in Hong Kong, China seriously undermined the territory's ability to manage the crisis effectively (Hayllar 2005).

While the unusual political structure is certainly impoverished as far as representational democracy and public participation are concerned, Hong Kong, China's administrators still face many decisions in which the public interest is subject to dispute. Inevitably, alternative views and options must be sought, decisions reached and justified. Sometimes the decisions reached reflect compromises gained through various interactive processes with some or all of the stakeholders involved. Sometimes the decisions reflect overriding social norms and values of society-wide importance. Sometimes decisions may reflect professional judgments that appear to fly in the face of public sentiment, and at other times it may seem that the decisions reflect more the private interests of particular individuals or groups. As Terry Lui (1988)

points out, whether or not policy makers and officials in Hong Kong are really committed to serving the public good cannot be determined empirically. However, she did observe that the civil service's entrenched administrative norms of neutrality and detachment have not encouraged officials to develop a direct sense of identification with, or for that matter accountability to, the public. Traditionally, personal responsibility for collective organizational outcomes has been diffused by the bureaucratic structure, with many government decisions being made jointly and with no single individual being clearly responsible for the consequences. Although the introduction of new POs has marginally improved political accountability at the highest levels, the waters remain muddy and involving the public in and justifying public decisions remains, as suggested above, one of the weaker aspects of the region's administration. It seems, then, that as far as engaging with the community is concerned, Hong Kong, China still has much to learn from the progress made in many less economically but more politically developed countries.

IV. Using Extended Role-plays to Explore Decision Making in Public Interest Cases

Learning about community engagement and making decisions in the public interest are important themes in the City University's part-time MAPP. The MAPP, which is an academic course with an applied management focus, caters to the specific needs of many middle-ranking public officials, local politicians, or those working in various public service organizations. The highlight of the program is an extremely intensive four-day Residential course, during which participants engage in various extended management and policy-making simulations and role-plays. These extended exercises, which can spread across a day and a half, enable participants to experiment with different aspects of decision making, test the relevance of theory, and evaluate various complex management activities that are undertaken in as realistic a way as possible. On completion of the role-plays and simulations, structured review activities ensure that many lessons can be learned for application back in the real world.

In addition to management role-plays, the Residential includes one or more extended public-interest policy cases, and it is these that provide the specific focus for this paper. Such cases can be developed around many different policy and planning issues such as land use; service enhancement, curtailment, or even closure; the making of efficiency savings or the withdrawal of subsidies from subvented organizations involved in social welfare or other service delivery

activities; the implementation of new regulations or fees; or issues such as the implementation of policies relating to rehabilitation centers for offenders or to residential homes for those facing social discrimination and exclusion. They can also be used for exploring critical aspects and implications of major changes and innovations such as occurred at the time of the PRC's accession to the World Trade Organization, or examining different perspectives and issues relating to the introduction of stringent environmental controls such as those envisaged by the Kyoto Protocol. In every case, there is room for disagreement, community engagement, and, hopefully, compromise and consensus building. In the Kyoto Protocol case, for example, role-play teams, including a government panel, various environmental pressure groups, business groups that are anti- or pro-further controls, and the media enact a scenario in which the Government is trying to ascertain how far to proceed with developing and implementing a series of progressively stricter environmental controls.

To illustrate the method, an example is given below of an extended role-play case that is centered on the need for the Government to make a decision as to the location of a community health center. The location of the center is contentious because it will also include a halfway home for ex-mentally ill patients who are on the way to being rehabilitated into the community. The exercise is based on a real-life scenario in which the Hong Kong, China Government's policy to build such homes was strongly supported by professional and patients' groups but opposed with considerable vehemence—and even at times violence—by members of the public who felt threatened by proposals to site the service near their homes. Media reporting of various unrelated but sensational cases of mentally ill patients becoming violent, and in one case running amok and stabbing children in a playground, were still fresh in the public memory, and feelings ran very high indeed. The Government, however, was—and indeed remains—committed to its policy of using such centers and homes for enhancing the services offered to disadvantaged groups such as the ex-mentally ill or, as in a similarly contentious case, HIV-positive and AIDS patients.

V. Role Playing: the Decision-Making Process

Within the case for the site of a half-way home for the ex-mentally-ill patients, the time has come for policy closure, in that a decision must be made as to which of two possible sites will be selected for the center. Of the two candidate sites, one, Beverly Court, is a public housing estate and the other, Astrid Gardens, is a subsidized home ownership estate for lower-middle-class families. Brief details of the estates are given in Appendix 1.

For the role-play, the students are grouped into teams of government decision makers, professionals, patients' representatives and pressure groups, different resident groups for each of the estates under consideration, plus, depending on the numbers of students involved, one, two, or even three media teams consisting of two television stations and a newspaper. Within each team are various individual as well as general team roles to be covered. For example, the government team includes roles for members such as the Deputy Director of Health and Welfare and various supporting officials, such as the District Officer or the Home Affairs Department's Community Liaison Officers. Community groups may include representatives of residents and or homeowners, estate market stall holders, schools, and Mutual Aid Committee or District Council members. Professional groups include actors such as social workers and health care and rehabilitation professionals. The patients' team includes members such as patients, their family members, and the secretaries or chairpersons of patient rights and activist groups. The media teams include reporters/journalists and managing and copy editors, and on the television side, film crew and technicians.

Different media teams have different editorial policies. One team, for example, adopts a typically community-centered approach and is critical of the Government. Another team is rather more generous in its support of the Government's actions. Depending on the number of participants, the numbers of teams and their members can be adjusted. Thus, for example, if working with 30 or fewer participants, only one media team may be viable, or it may sometimes be necessary to combine the professional and patients' representatives teams together. With larger groups, it is possible not only to expand the numbers of media teams to include both television and print media, but also to create additional teams such as a District Council—with which all other parties will be able to interact and whom they will wish to influence. It is also possible to divide the government team into separate departments or into additional tiers with different, specialized functions.

Throughout the exercise each team has ample opportunities to take decisions about how or how not to interact with the other groups as they try to exert their influence and gain their own preferred outcomes. Key stages include a government inquiry prior to taking the final decision, a press conference at which the decision is announced, and participation in a TV chat show, hosted by a well-known presenter, that takes place in the presence of a studio audience. The role-play commences with a general scenario and process briefing given to all participants. The teams then divide into their own meeting rooms or allocated locations with a facilitator to learn more about their specific roles and to begin planning their actions. Table 1 provides details of a sample Process Agenda and outlines the main activities involved.

**Table 1: Process Agenda
DAY 1**

<p>16:00 – 16:45: Initial Briefing (Conference Room)</p> <ul style="list-style-type: none">- Objectives, expectations and timing of exercise; allocating team roles, distribution of general and team-specific briefing materials. <p>16:45 to 18:45: Action Planning (Break-up Rooms)</p> <ul style="list-style-type: none">- Initial discussions about the exercise and team role with facilitator.- Review of briefing papers (Divide and share this task! You cannot each read all the materials!).- Teams determine who will play which roles within their team and how. (e.g., the <i>government</i> team decides who their Inquiry Panel members will be and determines how they will conduct their public inquiry and media briefings; the <i>media</i> groups determine who will play the roles of managing editor, reporters, film crew, TV presenter, etc., and what information they would like to obtain from other groups, how they will conduct their interviews, develop stories, etc.) Each of the <i>pressure/interest groups</i> likewise determines what its position is going to be and how it can effectively present its ideas to the government panel and through the use of the media.- Each group should prepare an outline of the position/strategy/plan of action for their team facilitator.- Teams prepare press releases, lobbying letters, protests, invitations to the Public Inquiry, etc., as appropriate. <p>20:00 onwards: Capturing/Establishing the Public Interest (Break-up Rooms)</p> <ul style="list-style-type: none">- Continuation of planning, issuing press statements, etc., completion of the media interviews that will be edited for presentation as “The Morning News” or “The Morning Update” on Day 2 morning.- Groups can meet for as long as needed, though the media groups will have to have completed all of their interviews with each of the other groups and will then need to prepare overnight for their news broadcasts. [Technical support from staff facilitator and student helpers will be available for editing up till 01.00 a.m.]
<p>DAY 2</p> <p>8:45 to 9:45: Offices open, Breaking “News” (Break-up Rooms)</p> <ul style="list-style-type: none">- Teams check up on any developments that may have occurred or have been reported overnight, issue any statements, press notices, etc, as necessary. Continue planning activities. <p>9:45 to 10:00: “TVA Morning News” (Conference Room)</p> <ul style="list-style-type: none">- Broadcast by the TVA media group: observed by participants from all of the other groups. <p>10:00 to 10:15: “BTV Morning Update” (Conference Room)</p> <ul style="list-style-type: none">- Broadcast by the BTV media group: observed by participants from all of the other groups.

*(Table continued)***Table 1: Process Agenda****10:15 to 11:00: Public Inquiry (Conference Room)**

- Government Panel members open Inquiry and hear submissions from pressure groups and ask follow-up questions.

11:15 to 11:45: Decision-Making (Break-up Rooms)

- The Government Panel decides on its recommendation and prepares a press statement.- Other groups—"out of role"—decide on what they think the government decision should be if the public interest is to be best served and on what they believe would be the best way of presenting and defending the decision. The decisions of the groups should be recorded for reference during the final debriefing.

11:45 – 12:15: Press Conference (Conference Room)

- Government Panel presents its decision and media representatives question the panel.

13.30 -14:10: Live TV, This Week in Politics Chat Show (Conference Room)

- A controversial and challenging TV news show that exposes all sides of public issues to rigorous scrutiny. A TV personality presides as he questions representatives from the Government, the community, professionals, and the media.

14:10 – 15:00: Was the Public Interest Served? Wrap-up and Final Debriefing (Conference Room)

- Comparison of decisions across the groups.- General feedback and discussions about the exercise, about why and how decisions are made and justified as being "in the public interest"; a review of the principles and practices encountered; lessons to be learned, including those relating to engaging with the community, media relations; working to tight deadlines, and operating in teams; conflict management, negotiation and so forth.

Source: City University of Hong Kong. N.D. MAPPM Program.

Every group has much to experience and learn, not only about the processes of public decision making and community engagement, but also about the roles they fill. To aid their preparation for the role-play, each team is given its own comprehensive data pack. These consist of, for example, a short introductory brief; details of the estates under consideration, including their population profiles, facilities available, and so forth; press cuttings broadly relating to the issue; previous positions, policy and procedural papers from the Government; documents from professional bodies, pressure groups and so forth. A sample introductory briefing sheet for a Professionals Team is shown in Table 2.

Table 2: Extracts from Sample Introductory Role Briefing Sheet

Introductory Briefing	NotesProfessionals
<p>You are a group of professionals and NGO representatives who are involved in various social programs having to do with services for disadvantaged groups in society. You are concerned about the whole spectrum of services. Some of you, for example, have been involved in lobbying on behalf of HIV-positive and AIDS patients for many years and you are particularly committed to advocating on behalf of these groups and their families.</p> <p>Your current concern is that psychiatric and ex-psychiatric patients are a stigmatized group in society. You believe that in the interests of both good health care and social justice the Government has a responsibility to provide community-based services that reinforce the message that these individuals are not only recovering from an illness but are also citizens in society and should not be excluded from living as normal a life within the community as possible. The lack of rehabilitation facilities is thus particularly worrying to you and some of you have been actively advocating the establishment of a series of new community health centers that will also include an attached half-way home for ex-mentally ill patients ready to be reintegrated into society. You are delighted that the Government has finally begun to take action on this issue and wish to provide it with your positive support. You are, however, equally determined to prevent any backsliding or further delay by the government in the establishment of the new facilities.</p> <p>Being close to the grassroots community, your group is aware also of the poverty and many other difficulties faced by people living in overcrowded public housing estates. You know that much of the prejudice directed toward groups such as ex-psychiatric patients stems from fear and misinformation. You are particularly keen that the Government should pay more attention to public education to help the general public understand the problems of this group and to be more sympathetic to their needs. You are somewhat critical of the media, which you believe tends to aggravate public misunderstandings of the issues involved by giving too much emphasis to negative stories about the dangers that can arise from the behavior of mentally ill people. You would like to be more proactive in trying to dispel public misinformation and in promoting in the media a more positive attitude to the problems faced by and the needs of ex-mentally ill patients and their families.</p> <p>The current attitude of the Hong Kong, China Government toward community-based services can be discerned from the following public statements made by government officials during the past 6 months:</p> <p>Excerpt from a recent speech by the Chief Secretary to the opening session of the Hong Kong Exhibition and Convention Centre, of the International Conference of Psychiatric Care Providers. Hong Kong,China as an integral part of China, is a rapidly developing and modernizing society. We recognize the need to enhance the quality of life for all of the residents in the Special Administrative Region. The SAR Government is firmly committed to supporting community-based initiatives as a means of assisting those groups in our society who have special needs in the health, education, and social</p>	

Table 2: Extracts from Sample Introductory Role Briefing Sheet (continued)

spheres.Excerpt from the Financial Secretary's Speech introducing the most recent Government Budget: As a part of a continuing commitment to enhance community health services there are plans to provide funding for six new community health centres. These will be sited in existing housing estates with the first one to be opened by March 2005." Remarks by the Secretary for Health, Welfare and Food at a press briefing:Of course we are very concerned with the views of the public on this issue of the location of community health centres. In order to better understand the views of all parties concerned, the Chief Executive has authorized the establishment of a panel of government administrators to hold a public inquiry to ensure fairness to all sides and to determine that the public interest is served.In answer to your question, let me assure you that we are firmly committed to the further development of community-based services. At the same time, it is understandable there will be different points of view and these will be fully taken into account before a final decision is reached.

For further details of government policies, professional views, media reports and public reactions please see the Professionals' Team Data Pack.

Source: City University of Hong Kong. N D. MAPPM Program.

To enhance reality and to reflect the generally inequitable access of different stakeholders to information, the information packs contain only the types of information to which each group is likely to have access and excludes information of which they are unlikely to have knowledge. Thus, each pack differs in much of its contents from the others. Additional supporting material includes guides on how to write and issue press statements and handle media interviews—either as an interviewee or interviewer—rules of procedure for public inquiries or notes on community activism, and so forth. A member of the teaching staff is available to each group as a facilitator to provide further guidance or procedural or factual information as asked for. The facilitators may not direct or lead the teams' activities, but do keep notes of key learning points for use during the final wrap-up and review session. They may also intervene if required, such as on one occasion when a housing estate group wanted to hold a protest march around the hotel we were using, rather than keeping such activities to the confines of the conference rooms!

During the role-play, each team must plan and execute its strategy in relation to the timetabled activities, communicating and meeting with other groups or their representatives and/or issuing press statements or being interviewed as relevant. The professional and patient groups tend to take a policy advocacy approach, designing strategies and lobbying to influence

and keep the pressure on the Government to act as they wish. They also try to promulgate their views in a way that will reassure the general public about the value of the policy in serving the wider public interest. Residents of housing estates develop and enact strategies including media attention-seeking activities such as demonstrations, protests, and petitions to legislators and the Government. They voice vigorously their opposition to locating such a center in their estate. Students in these groups gain an excellent sense both of how community action groups develop and operate and of the relative powerlessness of such groups. They come face to face with the reality of the conflicts that can arise between public and private interests and, by seeing the issues involved from a new perspective, strengthen their ability to empathize with and understand better the complex needs and relationships affecting stakeholders in any public-interest decisions they may be involved with in the future.

The government team consists of members who are drawn from representatives of different departments and organizations, thus simulating the composition of a task force in the real world. It has a complex role and must develop the strategies necessary for seeking appropriate information on which to base its decision. This, hopefully, will include a variety of ways of engaging with different stakeholders and with the community at large. Decision criteria that are consistent with existing policies must be developed, as well as press releases and “lines to take” for staff to follow when handling press and other enquiries. The team appoints the chairperson and members of the panel that holds the Public Inquiry at which representatives of the public, professionals, and others present their views, or even demonstrate if they so wish. Rules of procedure for the conduct of the Public Inquiry and also contingency plans to deal with any disruptive or unruly behavior by those attending must be devised by the government team. Following the inquiry, the government panel has to reach a decision as to where the center will be located. It then holds a press conference explaining the decision, promoting its policy of providing “care in the community” and answering questions from the media. Such questions will almost certainly include those relating to how the Government has handled the conflicting grievances of both patients and the housing estate where the new center will be located. Issues about the way in which the Government manages public conflicts and more generally approaches public consultation and community engagement are also likely to be raised. Given Hong Kong, China’s relatively poor record of community involvement, such questions are frequently raised at real government press conferences. The role-play, therefore, gives the government panel members an excellent opportunity to practice fielding or even blocking questions concerning a range of both related and unrelated issues.

Depending on the numbers of participants involved, two to three media teams may participate. If numbers permit, a newspaper team may be included along with two competing television stations. Although the media groups have a particularly difficult task, they also have the advantage of being able to gain an overall view as the situation develops. Further, they may also come to influence events themselves, as they provide news and promote, dispute, or deliberately ignore particular views in their reports or articles. Equipped with cameras and recorders, the media teams seek and analyze data, hold interviews, and film any demonstrations or press briefings taking place. From the differing opinions, events and many hours of data collected, they must make a selection and synthesize this either into a newspaper or into a 10–15 minute news program that is consistent with their editorial policy. The newspapers are distributed overnight and the television programs are shown on Breakfast TV the next morning, just before the Government holds its Public Inquiry. The news items often play a critical role in informing both government panel members and the public about the strength of feelings on the issue and may help to forewarn the Government as to possible protest or other actions being planned to take place during the public inquiry.

From their part in the exercise, the media teams gain an excellent feel for the “other side” of the government-media relationship. They are placed under considerable stress as they struggle to meet absolute deadlines, while making sense of the information gathered. When it is possible to have both television and newspaper media teams involved, this provides good opportunities for all the teams to reflect upon the different impacts achieved from audiovisual and printed news. It also helps the participants to consider how easy it is for negative images to develop from poorly managed media relations and how difficult it is for the Government to recover ground lost or to put a positive spin on many of its actions.

Following the final decision making and the Government’s press conference, a TV Chat show is held with a guest TV presenter. This takes place in front of a “studio audience” consisting of all the participants and even actual relevant officials from the Hong Kong, China Government if available. The TV host grills representatives of the Government, professionals, housing estates, and media teams, challenging and even criticizing them about their roles in and attitudes toward the decision. Opportunities for audience participation are also created.

To conclude the exercise, a debriefing and feedback session is held in which the issue of whether and how the public interest was served is examined. This is an opportunity to bring theory to bear upon practice and to examine issues including

- when, why, what, by whom, and how effectively different types of claims to be serving the public interest were made;
- how and why different community engagement activities were or were not undertaken by the different actors, and how they could have been improved upon;
- the many insights gained into the processes of agenda setting, policy advocacy, and promotion, as well as public decision making and implementation more generally;
- the need to ascertain, listen to, and respect—even if disagreeing with—other stakeholders’ views;
- the critical role of the media—both in policy debates and in influencing the Government’s public image—and the need for a constructive and proactive relationship between the Government and media;
- the analytical skills needed to selectively process, assess the validity of, synthesize, and act upon large quantities of frequently conflicting information and data arising from multiple sources of varying reliability; and
- how individuals and teams work together under stress, and the interpersonal skills needed to operate effectively in and between teams and especially when having to act in unfamiliar or uncomfortable roles.

VI. Concluding Discussion

The approach to learning outlined above has been developed as an integrating part of the wider curriculum of the MAPPM program. It has a clear set of objectives and both strong theoretical and applied foundations. In particular, the role-play case has much to offer in the way of insights into how and why and with what difficulties decisions might be made in the public interest. By reviewing their actions, participants can see what theoretical approaches to ascertaining and acting upon the public interest might apply in real life. The case also provides many opportunities for those involved to learn more about the ways in which different parts of the community interact during decision-making processes. For many of the students, this is the first time they have had any experience of proactive community engagement or, for that matter, of being interviewed by the media or of handling potentially confrontational situations in public.

Throughout the exercise, many opportunities arise for participants to develop their analytical as well as leadership, team working, conflict

management, communication, and other management skills. Sometimes, as with one student, a Deputy Secretary for Security in real life, the opportunity to play a role such as the Chairperson of the Public Inquiry proves especially meaningful. This student had not previously received any media training and shortly after the Residential was required to deal with a not too dissimilar situation. He reported that the role-play training provided by the Residential was particularly helpful and, since then, he has been very proactive in promoting the program to his peers and subordinates.

The various interactions with the media in the case encourage reflection on the critical role that the media play in society and on how important they are in taking an active role: shaping public opinion or even keeping the Government informed of developments in the community. Often, it is not so much a matter of what the media report as what they don't report that matters. Officials learn from the exercise the importance of proactively providing information to the media as well as responding calmly to any questions they raise. The exercise thus helps participants to develop skills in articulating their points of view or decisions, in writing short press releases or in making statements and thinking about what should or should not be said in a public context. Certainly, in many instances government role-players in particular believe that the media have not fairly reported their statements. Such is public life. However, for those students playing the media role, there is also much to learn about the reciprocal side in this relationship. In particular, they gain fresh insight into how media operate and the pressures faced in trying to obtain usable answers to questions and in meeting extremely tight deadlines. A better understanding of the media's perspective may well help officials to respond more willingly and effectively to media requests for information in the future. It may help too in encouraging a more proactive approach to initiating contacts with the media, and could be especially valuable in helping participants to reflect upon the media as a potentially valuable partner in promoting policies or sounding out ideas.

The case provides additional insights into the ways in which professional interest or community action groups can function. It highlights the problems they face in devising and implementing tactics and strategies for ensuring that they can exert influence over issues that affect them or, at least, that their views are heard and fairly represented. From being actively involved during their role-playing experience and from discussing the issues raised, all the participants can gain a much more rounded view as to both the agenda setting and implementation aspects of policy making. They also gain a deeper understanding of the relative effectiveness of the various community engagement strategies employed.

The lessons to be learned in self-development are particularly important. As part of the learning experience, participants are asked to keep a learning diary and to assess critically both their own and their teammates' performances on the teams. They are asked to consider which aspects of their team roles they found most difficult and why, and to reflect upon what, if given a second chance, they would do to improve on their ability to cope with such roles.

For the facilitators, much can also be learned about the nature of role-play exercises. Role-plays are valid tools for enabling participants to empathize with others and to experiment with feelings and motives. They also are particularly good as a vehicle for providing rapid feedback on how others perceive one's actions. The facilitators need to ensure that role briefings are adequate, while still leaving considerable discretion to the role players as to how they perform and develop their roles. The whole process, especially with up to 100 participants, needs careful and strong process management. This, however, must be achieved without directly impacting upon the decisions that must be made by the role players. In this respect, the facilitators need to keep in mind that their role is to facilitate, adjudicate if necessary, ensure that players do not go out of or exceed their roles, "engender energy," or correct problems when needed (van Ments 1999). Their role is not to act as a therapist. From time to time, however, they may need to help calm a situation down or soothe the ruffled feathers of an aggrieved role player.

As a training method, such extended scenario role-plays clearly require a great deal of preparation and activity time. Hence, they are costly to run. However, given the much greater range of experience and depth of focus the cases can provide, the learning outcomes from such cases can prove to be exceptionally rich. Also, the ability to stop the action, review, and replay if needed, or to make changes and to see what the different outcomes might be, is extremely beneficial for situations and activities where mistakes in real life could have very serious implications (Yardley-Matwiejczuk 1997).

Finally, if the ultimate aim of much adult education is to provide opportunities for participants to advance their knowledge and understanding of critical issues, theories, and themselves, while also honing their interpersonal and lifelong learning skills, experiential extended role-play cases clearly have a significant and promising future.

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Appendix. Potential Housing Estates for the Location of the New Community Health Center

Astrid Gardens	Beverly Court
<p>Description of the Estate</p> <p>A 10-year-old Home Ownership Estate located in Kowloon Bay.</p>	<p>Description of the Estate</p> <p>A 25-year-old housing estate in Shatin. All of the units are rented and the Housing Authority has indicated that some blocks, which are beginning to require considerable maintenance, will be redeveloped within the next 2–3 years.</p>
<p>Area: 690,000 sq. m. Number of blocks: 10 Number of units: 4,300 Size of flats: 540–760 sq. ft. Management fee: HK\$600 per month</p>	<p>Area: 280,000 sq. m. Number of blocks: 8 Number of units: 5,600 Size of flat: 400–500 sq. ft. Rental fee: HK\$4.78/sq. ft.</p>
<p>Profile of Residents</p> <p>Number of households: 4,300 Number of residents: 19,000 Average house size: 4.4 persons Average household income: HK\$6,000–HK\$12,000 Occupation: Both blue- and white-collar workers</p>	<p>Profile of Residents</p> <p>Number of households: 5,600 Number of residents: 21,000 Average household size: 3.7 persons Average household income: HK\$3,000– HK\$7,500 Occupation: Mainly seniors and blue-collar workers</p>
<p>Facilities / Amenities</p> <p>1 geriatric day hospital 1 child and youth center 1 multi-story parking lot 1 nursery school, 1 primary school, and 2 secondary schools 1 shopping arcade and some grocery stores 1 open garden and 1 playground with children's climbing frame, etc.</p>	<p>Facilities / Amenities</p> <p>1 geriatric day center located in a small unit 1 child and youth center also in a small unit 2 elderly homes 2 multistory parking lot 1 nursery school, 1 primary school, and 2 secondary schools 1 small wet market scheduled for redevelopment. 1 small concrete play area 1 fire station 1 bus terminus Last year a rehabilitation center for 20 handicapped children was moved to another estate where a more spacious and modern unit was available.</p>
<p>Transportation</p> <p>Links include ready access to the MTR Underground and a number of franchised bus routes. Minibuses are also readily available.</p>	<p>Transportation</p> <p>Links with Kowloon include adequate bus services, but the estate is not conveniently located with respect to the KCRC railway.</p>

Source: Author's residential teaching notes 2004.

Dialogues in Public Administration: A New Zealand-Vietnamese Case Study

Robert George Laking¹

I. Introduction

The School of Government at Victoria University was contracted to provide a 3-week introductory program on public administration and public management for lecturers from the National Academy of Public Administration (NAPA), Viet Nam. Twenty-two NAPA staff traveled to Wellington from Hanoi for the program, which took place from 17 May to 4 June 2004.

NAPA is responsible under the Vietnamese Government's public sector reform program for developing capability in the Vietnamese civil service. It delivers short-course programs for civil servants and a Master of Public Administration degree program. It plays a particularly significant role in training trainers for civil service training programs at the provincial level in Viet Nam.

The School of Government (SOG) at Victoria University was founded in 2003 to bring together the University's teaching in public policy, public management, and strategic studies with research and scholarship in areas of public policy. A number of research centers are attached to the School. Victoria University is located in Wellington, New Zealand's capital city, and the School has a particularly close relationship with New Zealand government departments. The School's academic staff organize and teach master's-level programs and executive development-type courses and also do some undergraduate teaching. Most of the graduate students enrolled in the master's programs are New Zealand public servants from central and local government.

NAPA is seeking to further develop its own graduate curriculum and its teaching capabilities. The 3-week program was provided under a Memorandum of Understanding between Victoria and NAPA, which also envisaged the possibility of further short courses, assistance with revising the MPA curriculum, teaching by Victoria staff in Viet Nam, and twinning or academic accreditation arrangements between the two universities.

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The content of the Wellington program was designed to provide a broad overview of the subject areas of public management and public policy, and assist the NAPA academic staff to apply philosophies and methods of learning at graduate level for working civil servants in Viet Nam. The program's academic content centered on the broad institutional context of public administration, together with study of the public organization in its environment; the political, social, and economic environment; the role and influence of stakeholders of the public organization; financial and other resources and constraints; relationships with employees; and internal systems and processes, such as decision-making, structure, control, finance, and people management.

As well as these learning objectives related to public administration, the NAPA management were keen to introduce NAPA teaching staff to a range of different teaching methods. Accordingly, we developed the program to facilitate content learning and at the same time to model learning processes, to share control of learning processes with course participants, and to provide time and space for feedback and reflection on the classroom experience. Participants were also given opportunities to study New Zealand public organizations first-hand and to experience something of life in New Zealand.

The program was delivered in Vietnamese. NAPA staff and local Vietnamese nationals who were fluent in English provided assistance before the program with translation of documents and interpretation during the program itself.

II. Different Administrative Traditions

NAPA officials stressed that a main purpose of the program was to introduce NAPA teaching staff to the intellectual and administrative traditions of Western public administration. The challenge for the New Zealand teaching staff was to ensure that the content drew widely on Western thinking about public administration and did not focus too narrowly either on the British Westminster system or on New Zealand's particular experience within this political system. The intellectual content of the program, in the form of reading and lecture content, drew widely on US, European, and British writing on public administration and organizational theory.

We were conscious throughout, however, of the dangers of unstated assumptions. For example, in a Westminster tradition, given that the boundary is sometimes blurred, a very clear formal distance is maintained between ministers and public servants. The same distinction does not apply in Vietnamese public administration. Conversely, no institution in New

Zealand compares to the Party hierarchy in Vietnam that parallels the administrative system. New Zealand public managers are now accustomed to a much greater degree of operational autonomy than would be available to Vietnamese civil servants. Detailed management of people and budgets is largely decentralized. Also, despite a recent softening of the hard edge of the New Zealand reforms, New Zealand public servants are still much more accustomed than Vietnamese civil servants to working in a system where accountability is based on defining prior performance objectives at both an organizational and an individual level and having their performance measured against these objectives.

New Zealand was a leader in the managerialist reforms of the 1980s and 1990s. Aspects of managerialist doctrines were nevertheless introduced in many other OECD countries and indeed in a number of developing countries. Recognizing the unique governance aspects of public management, the subject as it is taught in many Western universities draws heavily on aspects of general management literature, particularly in areas like organizational theory, strategy, performance management, human resource management, and financial management. Vietnamese academics and civil servants have only recently been exposed to this literature. Inevitably, therefore, we were frequently discussing concepts and approaches in management that assumed forms of organization, accountability arrangements, relationships with the private sector, and the roles of civil servants that may have been unfamiliar, even alien, to many in the class.

III. Teaching Materials

A significant issue in developing the course was the almost complete absence of articles or books in Vietnamese on Western public administration or public management, and limited information in Vietnamese on New Zealand politics and public administration. What was available to the NAPA staff before and during the program was largely what we could arrange to have translated into Vietnamese, although we were able to draw on some Vietnamese-language material prepared for United Nations Development Programme (UNDP) courses held in Hanoi in 2002. The homegrown material consisted of extracts from articles, course notes prepared by the course directors, and translated PowerPoint presentations used by course instructors. In addition, one of the NAPA staff kept very detailed notes of the presentations and discussions, to be bound into a course report for other NAPA staff.

IV. Language and Pedagogy

Several of the NAPA course members spoke excellent English, but the majority did not; and none of the New Zealanders had any Vietnamese much beyond “xin chao” or “hello.” This meant that all input from the presenters had to be interpreted by the NAPA interpreter and our local volunteers. PowerPoint slides in Vietnamese provided a textual backup to the interpretation, and we tried wherever possible to provide Vietnamese-language notes beforehand. But clearly, class sessions built around lecturing would be both inefficient and very tedious for presenters and course members alike. So we tried to minimize the formal lecturing and provide the maximum possible opportunity for group work and less formal interaction between presenters and participants.

Thus we advised the course members beforehand that our general approach would be the one we try to employ with all our graduate classes, to run them as much as possible in the form of group work and discussions. We advised them that the teacher’s role in this environment would be

1. before the class: to introduce the students to the topic by assigning them reading and discussion questions to think about;
2. in the class: to introduce the topic for the day, help the class arrange group exercises and discussions on the topic, and then get feedback from the class on what they have learned;
3. after the class: to set questions or exercises for the class to complete that would help them apply their learning.

Thus we hoped that the relatively limited amount of material we could provide in Vietnamese before the classes would set the scene for the discussion in class. We are not clear on whether much of the material we provided did fill this role and need to ask this question more explicitly in future post-course evaluations.

Because the instructors wanted to ensure that basic concepts had been communicated properly, more lecturing may have taken place than necessary. But on the whole, the approach of discussion and group work was a success. As a method of teaching across a language barrier, it proved to be efficient, in the sense that it leveraged the contributions that the presenters could make. And the course members invariably contributed energetically and constructively to these less didactic phases. We had heard from Vietnamese students that teaching in Vietnamese university classrooms tends to be traditional lecturing, with little discussion. This was certainly not a problem with the NAPA group, who were very happy to work on group exercises and debate

and discuss concepts with the instructors. At its best (and thanks to the skillful and sensitive work of our interpreters), the language barrier seemed to fall away and the New Zealanders were almost unaware that they were not conversing in the same language as the Vietnamese.

The reactions of the New Zealand presenters to this learning environment could be summarized as follows:

1. Surprise and pleasure at the level of engagement of the course members and the vigor they brought to the group exercises and debate: one of the Victoria staff commented that the NAPA group were “were incredibly responsive, engaged, interested, participatory, and excited about learning,” and others echoed this view.
2. A recognition that working through interpreters has both costs and benefits:
 - a. On the “cost” side, it may be a long process checking understanding of basic concepts: in one of my sessions we spent almost an hour just debating the meaning of “output” and “outcome”; generally, presenters have to radically revise their notions of how much material can be got through during a 90–120 minute teaching session—cutting it by 50% or more is a good rule of thumb.
 - b. On the “benefit” side, there was time to pause and gather one’s thoughts before responding to a question or moving on to the next topic, and as previously mentioned, more scope for leveraging one’s own contribution by relying much more on group work and discussion
3. Although there may be less time when one is actually talking, the need to slow down the pace, be sensitive to understanding and responses, keep in mind the needs of the interpreter, listen hard for questions of meaning and understanding, and keep an eye on group work actually takes a lot of energy and can be more taxing than a similar session with New Zealand students.

From the Vietnamese point of view, they seemed to welcome the classroom approach. One senior member of the group “observed how much the group had enjoyed and participated in the group discussions, and how this was a different learning approach from what they might normally follow.” The feedback we received through the evaluation was that “[a]lmost all participants like[d] the approach of the program, the integration of theories and practices

in the sessions, and discussions during sessions. Knowledge of lecturers, the support, enthusiasm of the lecturers, staff of SOG are also appreciated by the learners... Some learners proposed to reduce the volume of information given, to leave more time for discussion.”

V. Course Continuity

To provide continuity to the course, we adopted a number of strategies.

A. Journals and Projects

The program contained no exams or tests. Instead, we suggested that participants keep a journal, which they would add to each day. What they wrote in the journal each day could cover their personal statements of what they had learned from the sessions during the day about the content and methods of teaching public administration; and also how the sessions could contribute to their teaching in Viet Nam; what learning objectives they would set for themselves to achieve for their students in similar sessions in Viet Nam; and what teaching methods and resources they would use for their sessions.

We suggested also that they use the journal to write about any thoughts or reflections on their day: interesting or humorous things that happened, general ideas about their work or personal life. We did not formally review journals (for obvious reasons). It looked like most of the course members were using the notebooks we provided to take detailed notes in class. We did not ask them what else they were recording.

B. End of Day Sessions

At the end of each day we spent half an hour just discussing the day, the main lessons learned, and the program for the next day. This gave us an opportunity to check with the participants how things were going and what we could do to improve their experience. The participants welcomed this less formal session and the course director was provided with an opportunity to stay in touch with the class on the days when he was not teaching.

C. Final Project

In the third week of the course, we asked the participants to prepare a project on the development of a specific course for teaching in NAPA, for presentation to the group. We hoped they could look back on their journals to help them design their courses and plan teaching methods and use of resources. These final group presentations included some well-developed and thoughtful action plans for implementation upon return home.

VI. Linking Theory to Practice

A. Input from Practitioners

Where possible, we invited current public servants or consultants to contribute to sessions. The human resource (HR) management session, for example, was largely organized and delivered by a former departmental HR manager who now consults on HR in government departments. The budgeting session was developed and delivered by a senior departmental budget adviser who has developed the department's business planning and budgeting model. Participants also spent an afternoon visiting two major government departments, where they were able to discuss strategy and operations with senior officials. These visits were well received by the course members. In our visit to the Department of Internal Affairs, the Chief Executive personally led the presentation and the participants were clearly impressed that he had taken the time to do this.

B. "Hypotheticals"

Early in the program we provided notes on five archetypal "test-bench" organizations: Citizen Identity Office, National Library, Courts Administration Department, National University, and Public Roadway Department, covering functions, governance, financial details, main performance indicators, and some relevant policy and performance issues. While the details were hypothetical, they were modeled on similar organizations in New Zealand. We chose the organizations on the assumption that they would have counterparts in Viet Nam. Participants then discussed the applicability to each organization of different topics, such as mission definition, strategy, performance specification, organization, and financial management.

C. Simulations

The difficulty of providing large volumes of Vietnamese-language material appropriate for a case study made simulations—where a stripped-down set of relevant parameters can be provided as a basis for a class exercise—a feasible approach. At several points during the program, instructors ran simulations of typical management activities. Two examples from the sessions on financial management:

- We got each of the “test-bench” groups to prepare a budget bid for a Cabinet budget committee and then argue it in front of the committee. The participants entered into this exercise with enthusiasm and the oral presentations to the “Committee” (the program director) gave a great opportunity for the bidders to demonstrate their dramatic and rhetorical skills.
- Also in the financial management session, we simulated a hypothetical departmental budget development round in which the participants were divided into divisional groups—three business groups and two corporate groups (finance and human resources)—and a senior management group that made up the budget committee. The business groups were each given a simplified budget model loaded onto a spreadsheet, together with some business planning assumptions and a budget constraint. They then fed their finance and staff figures to the respective corporate groups, who ran them through a budget and staffing model, based on an actual budget model developed for our Department of Child, Youth and Family Services, and tried to reconcile the divisional budgets with an overall budget constraint.

VII. Successful Sessions

In the end-of-course evaluation, we asked participants to write down the numbers of the three sessions they found most valuable, and those they found least valuable. Some comment follows on the more popular of the courses. The most popular topic was the day spent discussing ethics and ethos in public organizations. After that came a range of topics such as strategy, human resource management, and organizational change, where the teaching approach was squarely within the core tradition of Western public management courses. We took some comfort from the relative popularity of these subjects, as we had succeeded in conveying something of the nature of a Western approach to public management.

A. Ethics and Ethos

A whole day was allocated to this subject, in which the following topics were covered:

- key concepts in public sector ethics, drawing the distinctions the Organisation for Economic and Cooperation and Development makes between “integrity-based” and “compliance-based” regimes and their application in traditional rules-based public administration systems and managerialist systems;
- an introduction to the basis of ethics in moral philosophy, together with the idea of ethos, or the values system that inheres in organizational cultures;
- a discussion on whether and how ethics can be “taught”;
- developing an “ethics infrastructure,” broadly drawing on the public governance literature and ideas of organizational change;
- case studies drawn from New Zealand experience; and
- an opportunity for the participants to work on group exercises on ethics and ethos, and how to apply and teach ethics, both in a Vietnamese context.

Several of the participants had been in courses where ethics were discussed in the context of corruption. An anticorruption campaign is a feature of their Prime Minister’s Public Administration Reform program. The ethics and ethos sessions were popular, we heard, because they did not focus specifically on corrupt practices and their detection and remedy, but took a higher-level approach.

B. New Zealand Context for Public Administration

This session provided a general introduction to New Zealand public administration and management and some evaluative comment on the New Zealand public management reforms. The session included a visit to Parliament and an opportunity to see the operations of a select committee. Both the visit and the discussion of the New Zealand context proved popular. Some participants wanted more information on the success and failure of New Zealand public administration reforms. The participants saw their time in New Zealand as an opportunity to see another country’s public administration in action. We did not want the course to become a shop window for New Zealand public management, so the teaching staff tried

to make it clear that the use of New Zealand examples and organizations did not imply that the approaches adopted in our country could simply be transplanted to any other country. But the opportunity to see New Zealand public organizations first-hand and to hear from New Zealand public managers was highly rated by the Vietnamese as part of the learning.

C. Strategy and Organizational Change

These sessions also occupied a whole day. The discussion on strategy followed the general approach taken in strategy courses at Victoria, where strategy is seen as a process of aligning the organization's resources with a set of goals or objectives. The instructor organized the sessions around the usual Western approach to organizational strategy of defining a mission, situating the organization in its environment, and considering the resources and capabilities available to the organization. The idea of core competences was discussed. Participants were given an opportunity to do a "strengths, weaknesses, opportunities, and threats," or "SWOT" analysis of their test-bench organizations.

The afternoon sessions on organizational change particularly focused on the role of leadership in change. The presenter was trying to focus on NAPA as an organization and felt that he would like to know more about what NAPA was specifically trying to achieve as an organization and then focus more of his discussion on how they might achieve that task. He commented, though, that it might be difficult talking to different levels of the hierarchy within the group simultaneously on this topic.

D. The Relationship Between Workers and Organization

These sessions were built around the received doctrine on human resource management in organizations, including

- what employees expect from a working relationship: financial reward, career development, social networks, recognition or status, challenging work, and a sense of purpose or achievement;
- obtaining and developing skills and knowledge through recruitment and training; and
- influencing performance through performance management and supervisory behavior (including task definition and goal-setting and monitoring performance).

The underlying theory was a mixture of what has been called “soft” human resource management, based on ideas about human needs and capacities, and the harder-edged ideas of performance specification and control.

VIII. Overall Rating

We asked participants to complete an anonymous questionnaire evaluating the program. It contained space for written comments, which were few and are reported as appropriate elsewhere in this report. In addition, a number of questions invited responses on a scale from 1 to 5. The overall rating of the teaching and facilitation on the program was 4.2: excellent (4) and very good (17). On detailed responses, the highest mean score was 4.9 and the lowest was 3.9. Attributes most highly rated were the service provided by the support staff, the encouragement of discussion during the program, organization of the program, the contribution to understanding of public administration and public management in New Zealand, and the usefulness of the knowledge and skills developed in the program for the participants’ work in Viet Nam. The main criticism was that there could have been more time to evaluate the New Zealand experience.

From the New Zealand point of view, all the University staff associated with the program spontaneously commented about how much they had enjoyed their time with the participants. Our guests were lively, intelligent, hard-working, and fully engaged throughout. Despite the difficulties with language, there was a real sense that we were communicating and had made friends. We were particularly impressed with the Vietnamese sense of fun. There were some hilarious “ice-breaking” exercises, a lot of laughter during the discussion sessions, and some great social occasions, including a quite serendipitous chance to celebrate Ho Chi Minh’s birthday, a *yum cha* (a Cantonese tea party of many small dishes) at a local restaurant, a karaoke evening at the home of our Pro-Vice Chancellor (International), and a program dinner in which many photographs were taken and toasts were made. We believe that these less formal contacts helped a lot to create the right informal environment and openness of discussion in the class sessions.

IX. Summary and Conclusions

Overall we believe that the NAPA program was a successful exercise in cross-cultural communication in the classroom. The evaluations were very positive, and indicated that our teaching staff had succeeded in their objective of communicating the necessary concepts and context for teaching public administration and public management. Some ideas for future consideration are discussed below.

A. Reentry

The traditional issue with short-course capacity building is what sort of environment awaits those returning home? Will they be able to apply the lessons learned from their course? In this case, it depends in large degree on whether NAPA wishes to revise its curriculum and pedagogy to incorporate the approaches to which its teaching staff have been introduced in this course and similar courses in other countries. Some of the projects that participants presented to us at the end of the program were consistent with this objective, but as always, the success of these courses depends on whether there is real demand for change in the home working environment.

B. Materials

The lack of materials is a major issue, at least for NAPA and probably for other institutions of higher learning in Viet Nam. The development of textbooks and other teaching materials drawing on the scholarship of Western countries, in a field that touches as closely as it does on the political and administrative life of Viet Nam, appears to be a difficult process.

C. Instructional Methods

The classroom methods we used certainly seemed to strike a chord with the NAPA participants; they responded very positively to the opportunities for discussion and group work. However, too large a role was played by the New Zealand instructors and presenters, which clearly reflects the unfamiliarity of the material. The interpreters did an excellent job, but the high profile of the New Zealanders could have been reduced somewhat if NAPA teaching staff who were familiar with the material had been there, had credibility with the NAPA lecturers as instructors, and who also had the English language

Enhancing the Role of Public Administration Education to Support the Attainment of the Millennium Development Goals

Joel V. Mangahas¹

I. Introduction

The Millennium Development Goals (MDGs) establish targets for reducing poverty, improving health care and education, promoting economic growth, empowering women, and creating an enabling environment for sustainable development (UNDP 2003). The magnitude of the challenge for achieving the MDGs is formidable. Unless drastic and concerted actions are undertaken at all levels—from global to local—it is unlikely that the desired results and outcomes will be significantly realized (DFID 2003). The attainment of the MDGs requires collective action and commitment of international, national, and subnational institutions involving governments, civil society, and the private sector.

Addressing the enduring problems of poverty and environment degradation is predicated on the successful implementation of governance reforms to rectify the policy and institutional frameworks that discriminate against the historically disadvantaged and marginalized sectors. The MDGs are expected to be resisted, since new concepts and paradigms must be introduced to the policy arena, together with new administrative systems that challenge strongly held views and practices. Any effort to promote citizen-centered policies and pro-poor change will understandably be opposed by well-organized and influential groups that benefit from the status quo.

Critical to the achievement of the MDGs is the promotion of institutional and organizational development, which requires the learning of new skills, strategies, approaches, and tools. Building capacity for identifying and responding to citizens' needs, particularly those of the poor, is an imperative for most developing countries. Functional skills in cooperating with others, managing stakeholders, and establishing networks

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and partnerships should be improved. Measuring and reporting performance to enhance efficacy and promote accountability of public officials are also necessary.

To meet the MDGs, public administration education must play a key role. Despite the global interest in and broad support for work toward realizing the MDGs, they are yet to be formally introduced in the teaching and learning processes of many schools of public administration in the Philippines. This paper seeks to suggest what such schools can and should do to support actions toward fulfillment of the MDGs. It also aims to examine how the academic curricula for teaching public administration may be strengthened to develop competencies for institutional and organizational development looking toward the MDGs.

This paper begins with a brief discussion of what will it take to achieve the MDGs. This is followed by a description of the agenda for promoting good governance and its link to reaching the MDGs. The paper then explains a framework for promoting institutional and organizational development. A discussion of perspectives in effective curriculum design follows. Next, the paper provides some general observations on academic curricula in public administration. The paper concludes with recommendations to strengthen programs of instruction and educative roles to help achieve the MDGs.

II. Providing an Enabling Environment for Achieving the Millenium Development Goals

Targeting poverty reduction, women's empowerment, and environmental sustainability require substantial changes in political, economic, and social systems (Brinkerhoff 2004). The enduring problems that the MDGs seek to address are the consequence of decades of policies and practices at international and national levels. As such, significant improvements in living conditions in developing countries will be realized through specific reform measures at the national and subnational levels, matched with focused interventions from the international community.

International and national instruments are the key to reaching the MDGs. International instruments involve effective debt reduction, trade-related policies, reform of the Bretton Woods Institutions and the World Trade Organization, and increased quantity and better quality of international aid (GFID 2002). National instruments include improving the delivery of basic services, particularly to the poor; a more equitable and transparent taxation system; and a guarantee of peace and order (GFID 2002). Public policies are too often insufficiently focused around issues related to poverty, health care,

education, gender, and environment. Likewise, administrative capacities are inadequately prepared and resources are scarce for promoting change and pursuing pro-poor development.

Although the attainment of the MDGs is not the sole responsibility of governments, governments actually play a critical role in making services work for the people and raising the quality of life. Governments perform thousands of functions, but in essence, they perform four major types of activities that affect almost every aspect of living: i) they formulate and monitor policies; ii) they raise revenues to implement policies; iii) they implement policies, some through provision of goods and services; and iv) they provide an enabling environment for private sector growth and social development (ADB 2003). The reduced or nonexistent capacity for good governance has nonetheless weighed down government performance. Good governance or sound development management is therefore a *sine qua non* for achieving the MDGs.

Governance is broadly defined as the sound exercise of political, economic, and administrative authority to manage a country's resources for development. It involves the institutionalization of a system through which citizens, institutions, organizations, and groups in the society articulate their interests, exercise their rights, and mediate their differences in pursuit of the collective good (ADB 1995).

It embraces not only the affairs of government, but also the proactive role of the private sector and civil society in national development. Governance is, thus, not the sole province of government. Instead, its functions are delegated to, or assumed by, other institutions and organizations in the business sector and civil society (UNDP 1997). Its concern with the sound exercise of authority underscores its ethical moorings. Thus, its basic elements are accountability, participation, predictability, and transparency, which are also the key principles of sound development management (ADB 2003). Table 1 shows the basic elements of governance, its key dimensions, and specific areas of action.

Promoting good governance poses opportunities as well as challenges as it brings together the public sector, civil society, the private sector, and communities in the tasks of evolving policies, programs, organizational and operational mechanisms, and institutional arrangements that can effectively respond to the needs of the people, ensure the judicious and transparent use of public funds, encourage growth of the private sector, promote effective delivery of public services, and uphold the rule of law.

Mainstreaming good governance not only requires capacitating individuals and institutions, but also providing the appropriate policy environment to institutionalize reforms (ADB 2005). At the individual level, capacity building for good governance focuses on the process of equipping

Table 1. Basic Elements of Good Governance

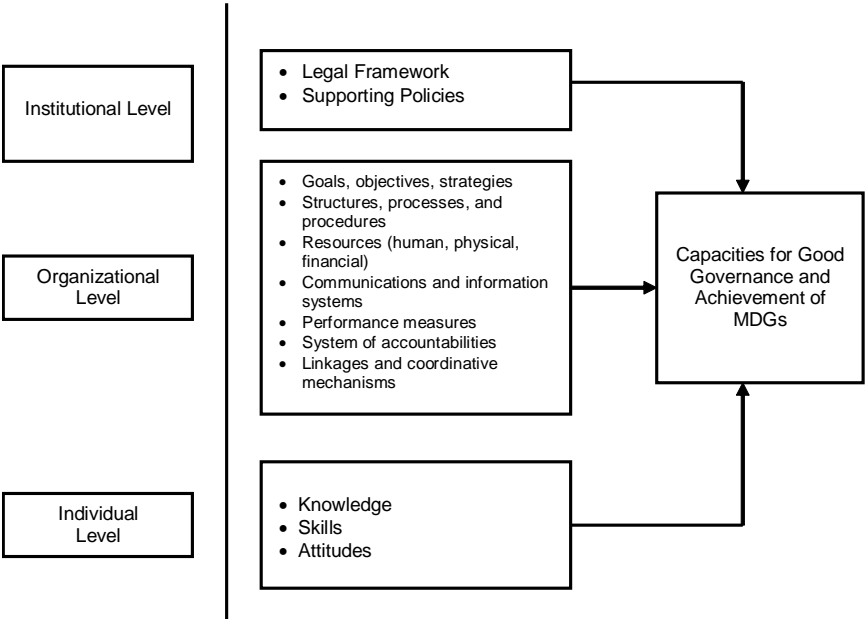
Basic Elements of Good Governance	Key Dimensions	Specific Areas of Action
1. Accountability means making public officials answerable for government behavior and responsive to the entity from which they derive authority.	<ul style="list-style-type: none"> Establishing criteria to measure performance of public officials Institutionalizing mechanisms to ensure that standards are met 	<ul style="list-style-type: none"> Public sector management Public enterprise management Public financial management Civil service reform
2. Participation refers to enhancing peoples' access to and influence on public policy processes.	<ul style="list-style-type: none"> Undertaking development for and by the people 	<ul style="list-style-type: none"> Participation of beneficiaries and affected groups Government-private sector interface Decentralization of public and service delivery functions (empowerment of local government) Cooperation with NGOs
3. Predictability refers to the existence of laws, regulations, and policies to regulate society and their fair and consistent application.	<ul style="list-style-type: none"> Establishing and sustaining appropriate legal and institutional arrangements Observing and upholding the rule of law Maintaining consistency of public policies 	<ul style="list-style-type: none"> Law and development Legal frameworks for private sector development
4. Transparency refers to the availability of information to the general public and clarity about government rules, regulations, and decisions.	<ul style="list-style-type: none"> Ensuring access to accurate and timely information about the economy and government policies 	<ul style="list-style-type: none"> Disclosure of information

NGO = nongovernment organizations.

Source: ADB 1995.

civil servants and stakeholders with the understanding; skills; and access to information, knowledge, and training that enable them to work together and perform effectively. At the organizational level, governance reforms involve the elaboration and establishment of enabling management systems, structures, processes, and procedures, not only within organizations but also in the management of relationships between and among the different organizations and sectors. At the institutional level, capacity building includes making legal and regulatory changes to enable organizations, institutions, and agencies at all levels and in all sectors to enhance their capacity. Figure 1 presents the critical components of capacity development for good governance.

Figure 1. Components of Capacity Development for Good Governance and Achievement of MDGs



MDG = Millenium Development Goal.
Source: Adapted from ADB 2005.

Sound development management identifies the roles of the state as

- creating a conducive economic environment,
- protecting the vulnerable,
- improving government efficiency and responsiveness,
- empowering people and democratizing the political system,
- decentralizing the administrative system,
- reducing gaps between rich and poor,
- encouraging cultural diversity and social integration, and
- protecting the environment.

Table 2 presents the key milestones in promoting effective governance for each of the aforementioned roles.

III. Strategic Areas of Institutional Reform in the Philippines

Public sector reform in the Philippines has never been the fairy tale that ends in a “happily ever after,” in spite of the fact that every political administration included civil service reform in its government agenda (ADB 2005). Since the birth of the Philippine Republic in 1946, civil service reform has been undertaken at least five times, but results fell short of expectations—which can be attributed to the failure of civil society and the private sector to actively engage in the change process.

Strategic institutional reforms to help realize the MDGs should pursue program interventions that complement and build upon the gains of past and existing initiatives, particularly in the areas of

- improving planning and public policy making,
- strengthening the administrative structure,
- rationalizing human resource management,
- pursuing local autonomy and decentralization,
- managing the fight against corruption,
- institutionalizing performance-based management,
- effectively utilizing information and communication technologies,
- depoliticizing key public institutions,
- carrying out procedural reforms, and
- enhancing cooperation with the wider public, civil society organizations, and the private sector.

Table 2. Roles of the State and Key Milestones in Governance

Sound Development Management Roles of the State	Key Milestones
1. Create a conducive economic environment.	<ul style="list-style-type: none">• Enact and enforce laws that promote economic competition.• Decentralize economic decision making, stabilize inflation.• Reduce the public deficit and use the free market to set prices for privately produced goods and services.
2. Protect the vulnerable.	<ul style="list-style-type: none">• Ensure the survival of pension systems.• Create or maintain reasonable unemployment benefits.• Establish and maintain a system of private health and social insurance.• Maintain social assistance programs for the disabled and disadvantaged.
3. Improve government efficiency and responsiveness.	<ul style="list-style-type: none">• Attract qualified, competent, honest, and realistically paid individuals into public service.• Establish a civil service system that relies on merit-based recruitment and promotion, incentive-based compensation, and clearly defined reward-oriented career paths.• Attract and retain a corps of professionals who are responsible for formulating and implementing economic policies and support them with good training, an appropriate degree of independence, and professional reward structures.• Protect professional civil servants from political interference in carrying out their responsibilities.• Establish a civil service system that is flexible enough to facilitate communications between the public and private sectors.
4. Empower people and democratizing the political system.	<ul style="list-style-type: none">• Establish a conducive institutional environment comprising properly functioning parliaments, legal and judicial systems, and electoral processes.

Table 2. Roles of the State and Key Milestones in Governance (continued)

Sound Development Management Roles of the State	Key Milestones
5. Decentralize the administrative system.	<ul style="list-style-type: none"> • Respond quickly to local needs and conditions. • Redistribute authority, responsibility, and financial resources for public services among different levels of government. • Strengthen subnational units of government. • Respect traditional structures of authority as well as traditional mechanisms for resolving conflicts and managing common property in society.
6. Reduce gaps between rich and poor.	<ul style="list-style-type: none"> • Reduce social disparities.
7. Encourage cultural diversity and social integration.	<ul style="list-style-type: none"> • Maintain cultural identity and roots while promoting social cohesion. • Ensure that political systems are accessible to all and that legal systems afford equal opportunities and access.
8. Protect the environment.	<ul style="list-style-type: none"> • Integrate economic and environmental accounting. • Promote intergenerational equity.

Source: ADB 2003.

Governance initiatives should involve developing an overall framework and a unifying philosophy that will not only provide direction to current reform efforts, but also guide subsequent reforms. Interventions should focus on addressing institutional deficiencies caused by redundant structures, poor personnel management systems, and the absence of a performance management culture. Measures should likewise be undertaken to address corruption and e-governance issues.

Of course, enduring reforms can only take root if the nation's key players have the commitment to challenge the deeply entrenched spoils system in the bureaucracy and commit themselves to implementing changes, while recognizing that good governance cannot be attained overnight. Reforms must be strategic, emphasizing sustained initiatives that yield small but progressive increments of net value added to overall performance of the public sector over the long term.

A. Developing a Holistic Framework for Good Governance

There is an unequivocal need to formulate an overarching framework that can consolidate the various governance efforts, guide diagnosis of governance issues, and identify reform directions, while building on current reform initiatives. The overall design of governance reforms should focus on addressing bureaucracy-wide concerns in policy, structure, processes, personnel administration, fiscal management, and information technology (Government of the Philippines and UNDP 2002). Parallel to the effort to strengthen the capacities of government should be efforts to engage civil society and the private sector in reform initiatives. These would enhance government accountability, citizen participation, and oversight in governance processes (Government of the Philippines and UNDP 2002).

The development of a governance reform program may entail amendments to existing laws and policies as well as the formulation of new ones. This would provide the requisite policy environment for the successful implementation of proposed reform strategies and interventions. Hence, legal and institutional implications of the governance reform program should be carefully considered.

A comprehensive and strategic national policy and framework for governance would be very helpful in planning, establishing standards and protocols, and managing development programs and initiatives. Such a master plan should be able to identify program opportunities for both governments and development agencies, thus encouraging closer cooperation, coordination, and complementation among the various initiatives of national and international institutions.

International development agencies operating in the Philippines have been providing different forms of assistance to local governments as well as national government agencies in support of decentralization and governance. Development assistance must not only be sustained, but must also be well coordinated to achieve convergence of purpose, minimize overlap, and optimize outcomes.

B. Restructuring the Bureaucracy

Streamlining the bureaucracy is imperative. Redundant structures in the government should be abolished, subsumed, or consolidated with other entities. Agency functions must be clearly delineated to minimize overlaps and duplications. Streamlining should also be pursued in line with decentralization objectives. The distribution of officials and employees

should be such that the greater mass serves in regional and local postings, where they are most needed.

The public sector has yet to benefit from a carefully prepared, integrated blueprint for implementing civil service reforms. Efforts in the past have been influenced and tainted by politics. Planning and execution were haphazardly done and usually rushed. Consultation with and participation from the bureaucracy and the affected public and organizations has been minimal. Those who implement and are affected by reform initiatives have no sense of ownership of these initiatives, so the processes and results of reforms are compromised. Knowledge about how to improve overall government performance remains fragmented, disorganized, and even contradictory.

A possible area for strategic intervention is the study and establishment of appropriate management structures, processes, procedures, and information systems within the civil service system, including the necessary linkages and collaboration with the private sector, civil society, and international development agencies. Improving intergovernmental relations (i.e., vertical and horizontal linkages) should also be given priority.

C. Professionalizing the Civil Service

Recreating the civil service system necessitates a comprehensive, pragmatic, and workable program of action, with the corresponding policy support that will upgrade all facets of personnel administration such as recruitment and selection, training and development, personnel relations, compensation, and employee security and safety. Although the proposed Civil Service Code promises a significant improvement in the quality of public service, it is uncertain when it will be passed. Meanwhile, the bureaucracy needs to put in place mechanisms to

- get qualified, competent, and honest individuals into public service and make them stay;
- ensure and maintain high work performance among government employees;
- develop and implement strong staff development programs,
- strengthen careerism and protect the civil service system from political patronage;
- allow government-wide mobility among Career Executive Service Officers; and
- institutionalize performance-based security of tenure.

Reform efforts in this area may include strengthening the staff development programs, enhancing the merit system, and improving job evaluation and compensation administration, as well as pricing job values and the design of the salary structure.

The administrative justice system needs to be strengthened. The bureaucracy still finds it difficult to weed out incompetent and erring public employees due to the weaknesses in systems for the disposition of administrative cases. Possible areas for technical assistance include developing mechanisms to track cases, enhancing capabilities for dispute resolution such as conciliation and mediation, and strengthening competencies of legal counselors.

D. Managing for Results

The civil service system must move toward a new work culture that emphasizes strong client orientation, excellence, integrity, and knowledge-based management. The bureaucracy must adopt an institutional behavior that values less paper work, minimum waiting time, simplest procedures for the transacting public, and public participation in providing feedback on how to improve public policies and frontline services.

The institutionalization of a performance management system in the government presents an integrated and practical approach for effecting good governance. In order to enhance its overall efficiency, effectiveness, and responsiveness, public administration needs a shift of emphasis from the traditional concern with inputs and immediate outputs toward a more vigorous commitment to attaining long-term development benefits (i.e., outcomes and impacts), that effect authentic improvements in the quality of life of Filipinos. Results-based management is a significant public sector reform that requires clear articulation of and strong commitment to the core mission and priorities of the government, as well as to the imperatives of defining and realizing the principles of accountability, participation, transparency, and predictability.

Results-based management necessitates a results- and service-oriented public sector that helps civil servants realize that they are accountable for results—not to their supervisors; not to the organization, but most importantly, to the clientele. The desired public sector management environment also requires an empowered civil service that accepts responsibility for and has the capacity to influence outcomes. Successful introduction and maintenance of a performance management system requires a holistic and comprehensive package of civil service reforms that involves

three key dimensions: i) promoting favorable implementation conditions, ii) developing performance measurement systems, and iii) utilizing performance information.

Results-based management in the Philippine bureaucracy is gaining attention. The most recent and welcome development is the introduction of the Public Expenditure Management and Investment Program (PEMIP), since it stresses public accountability by orienting government operations toward realizing the desired outcomes and impacts. Certain elements of the PEMIP nonetheless need to be reviewed and improved.

E. Managing the Fight against Corruption

No administrative reform effort can ever move forward if the problem of corruption is inadequately addressed. Strategic reform initiatives should include i) increasing social awareness and developing a culture of intolerance against corrupt activities; ii) strengthening the participation of citizens, the private sector, and civil society in anti-corruption efforts; iii) improving the overall efficiency and effectiveness of government anti-corruption agencies; and iv) strengthening cooperation of government agencies, civil society organizations, the business sector, and citizens in promoting transparency and accountability in the public sector. Efforts should likewise strengthen preventive programs, maintain efforts to increase public awareness and support, and build broad-based coalitions against corruption. Citizens can and should hold their governments accountable. They should also constantly demand more efficient and effective services.

IV. Importance of Institutional/Organizational Development

Institutions are often creations and instruments of the powerful elite, and usually discriminate against the poor (DFID 2003a). Without institutional reform, policies and programs to support the MDGs can be stymied. Poor development performance is rooted in institutional factors. Institutional causes of poverty can be

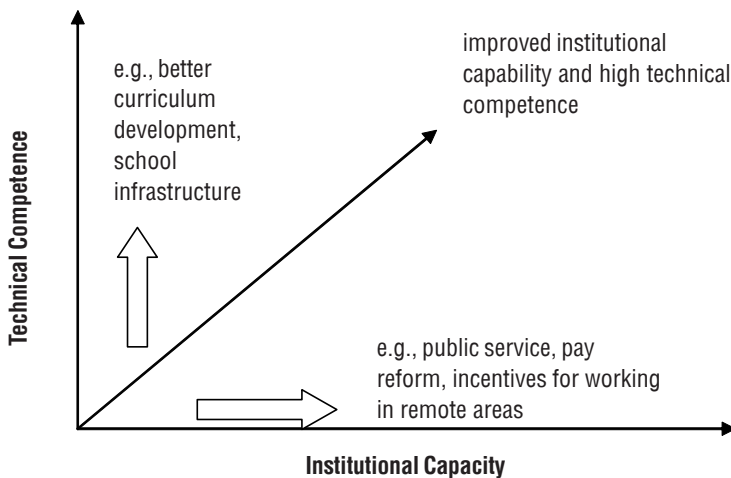
- economic: inadequate funding for basic services, inefficient allocation and use of resources, debt burden, weak planning and budgeting links, lack of competitiveness, weak revenue generation capability, and poor access to credit;

- legal: poor regulatory framework, corrupt administration of justice and law enforcement, policy conflicts/gaps, and a closed system of policy making.
- political: political instability, a strong patronage system, a highly politicized civil service, and corrupt leaders.
- social: low labor productivity, unemployment, a poor work ethic, a high incidence of crime, insurgency (DFID 2003a).

The 2002 World Bank Development Report emphasizes the importance of institution building for poverty alleviation (World Bank 2002). The United Kingdom's Department for International Development (DFID) similarly points out the pressing need for governments to enhance their capabilities if they are to work better for poor people to achieve the MDGs (DFID 2003a). As such, building capabilities for good governance and MDGs is very much a matter of institutional development. It is in this context where teaching and research in public administration can make a difference.

Promoting good governance and achieving the MDGs are likely to succeed if they pursue improvements in wider institutional capacities as well as in technical competencies (See Figure 2). More efficient and responsive services for the poor require technical competencies (i.e., knowledge, skills, and attitude) for doing so; but these must be matched with institutional changes to allow the technical improvements to work. For example, Filipino civil

Figure 2. Improving Technical Competency and Institutional Capacity



Source: DFID 2003b.

servants need technical competence to identify and improve specific aspects of service delivery through application of benchmarking and continuous improvement techniques. At the same time, their superiors and work structures should allow them to perform better and make the necessary improvements. According to DFID, technical interventions (e.g., training or ICT applications) that leave unsatisfactory institutions intact achieve nothing (DFID 2003b).

Institutional/organizational development must be directed at achieving a specific outcome. In the context of realizing the MDGs, the change intervention should clearly identify what is to be done and why. Once the purpose has been defined, a timeframe is set for achieving the milestones and results. The context or starting point is then situated. Participants and allies to the change process are identified and managed. Accountability measures are likewise established. Table 3 lists the key principles for institutional and organizational change.

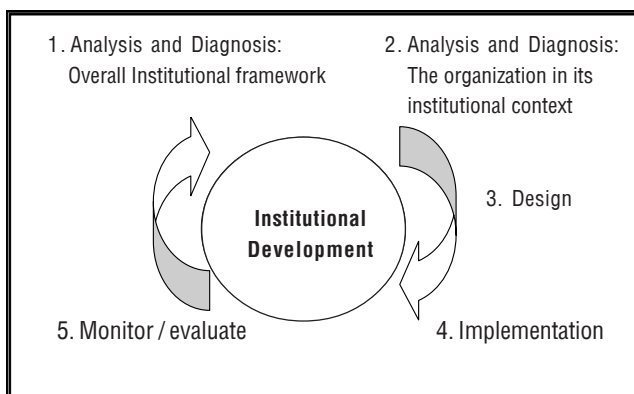
The institutional development process consists of five stages (Figure 3). The first phase involves analysis and diagnosis that examine the overall institutional framework. It seeks to answer questions like “What is to be achieved and why?” and “What are the main institutional strengths/weaknesses?” The second phase refers to the analysis and diagnosis of the concerned organization in its wider institutional context. This stage aims to identify the main organizational strengths/weaknesses. The third phase is designing the intervention, which identifies the best way to promote change. Next is implementation or managing the change intervention. Finally, the monitoring and evaluation phase is concerned with establishing mechanisms for measuring performance. Table 4 lists the alternative methods that can be used for institutional and organizational development.

Table 3. Key Principles Underlying Institutional and Organizational Development

Area of Concern	Key Question	Key Principles
Outcome focus	What are we trying to do and why?	<ul style="list-style-type: none">• Change intervention must be driven by a focus on desired outcomes.
Timeframe	How long should it take?	<ul style="list-style-type: none">• The change process takes time.• Unrealistic change processes and schedules will fail.• Getting real stakeholder participation is vital and especially time-consuming.
Context	Where do we start?	<ul style="list-style-type: none">• Institutional development must start from and be constantly informed by current social, political, and cultural realities.• The precise entry point will need to take into account the overlapping nature of institutions at different levels (local, national, and international).
Participation	Whom do we work with?	<ul style="list-style-type: none">• Identifying and managing stakeholders are critical.
Accountability	When will we know we have accomplished the task?	<ul style="list-style-type: none">• Need to ensure that the reform process is meeting its objectives.• Is the institutional change facilitating the achievement of desired outcomes?• Accountability is heavily dependent on regular flow of information.

Source: DFID 2003b.

Figure 3. The Institutional Development Process



Source: DFID 2003b.

Table 4. Summary List of Suggested Tools and Techniques

Stage	Suggested Tools and Techniques
1. Analysis and diagnosis: overall institutional framework	<ul style="list-style-type: none"> Assessment of institutional capabilities/Impact analysis Sponsor evaluation Change forecasting
2. Analysis and diagnosis: the organization and its institutional context	<ul style="list-style-type: none"> Open systems model 7-S Framework or McKinsey 7S Model/SWOT Organizational elements model Problem tree analysis
3. Review and design	<ul style="list-style-type: none"> Risk management matrix Benchmarking Business process reengineering
4. Implementation	<ul style="list-style-type: none"> Change management Force field analysis Burke Litwin Model Stakeholder management
5. Monitor/Evaluate	<ul style="list-style-type: none"> EFQM Excellence Model

7-S = refers to organizational elements—strategy, structure, systems, staff, style, skills, and shared values—that managers need to analyze and consider when implementing changes; SWOT = strengths, weaknesses, opportunities, and threats; Burke-Litwin Model = model of organizational change and performance that provides a link between an assessment of the wider institutional context and the process of change within an organization; EFQM Excellence Model = a nonprescriptive framework based on nine criteria. Five of these are *enablers* (leadership, policy and strategy, people, partnerships and resources, and processes) and four are *results* (customer focus, people results, society results, key performance results). The *enabler* criteria pertain to what an organization does. The “results” criteria cover what an organization achieves. “Results” are influenced by “enablers.”

Source: DFID 2003b.

V. Perspectives on Curriculum Design and Development

A. Blueprint for Teaching and Learning Processes

The academic curriculum is an essential component of any educational institution. The curriculum is the blueprint for instruction and student assessment. It sets out the learning objectives and the means for achieving them. The curriculum therefore sets out not only the content of each course but also the interconnectedness and sequence of courses to systematically provide the learners with a rational process for acquiring and building upon their know-how and skills over a specified period of time. Being at the core of educational functions, resources must support the successful achievement of curriculum goals and objectives.

A carefully planned and well-structured curriculum provides a strong foundation for quality delivery of education, thus realizing the desired learning outcomes. Serious curriculum design involves a long and iterative process. Curriculum development stresses the importance of identifying educational opportunities that are most critical to an organization or community. The learner groups and their learning needs are properly identified. Learning objectives are subsequently determined and ordered in relation to required competencies.

The appropriate number and mix of courses or modules are likewise specified. The content outline is developed for each course. Instructional strategies and media are selected. Lesson plans are also developed for each course including the timing and duration. Logistics of the total curriculum delivery system are planned and finalized. The design may be scaled down or expanded based on the resources that will be made available. The content and objectives of the curriculum design are validated and field tested prior to adoption and full-scale implementation. Other mechanisms must be put in place to monitor and evaluate whether or not the curriculum is meeting its intended purpose. Moreover, the system of responsibilities and accountabilities for managing and implementing the curriculum must be established.

Poor curriculum designs achieve minimal educational benefits. Too often they are manifested by the lack of goal orientation and convergence in the program of instruction, unnecessary overlaps of courses, disjointed subjects, wasteful use of scarce resources, low completion rates, substandard teaching, and ineffective assessment of learning. At the end of the day, the curriculum should be able to effectively, efficiently, and economically provide the desired learning outcomes.

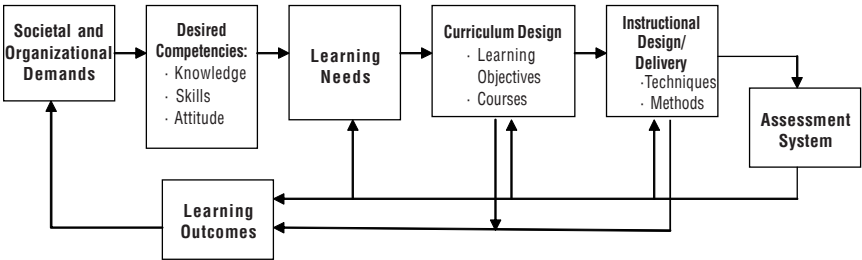
Curriculum development is a complex process. It requires iteration, dedication, perseverance, and, more important, the technical expertise to get it going. Pitfalls can be avoided by observing the principles and logical process of curriculum design, applying benchmarking and continuous improvement techniques, and enhancing learner participation in curriculum development. There is an increasing trend for curriculum designs to shift from the traditional subject-based, input-oriented, and teacher-centered learning to systems-integrated, competency-based, community-oriented, and student-centered programs. The continuing challenge for educational institutions is how to make their academic curricula respond to changing needs and demands, thus bringing about favorable results and outcomes.

The curriculum must be directed at providing students with the necessary competencies to make them productive members of society. The curriculum must not only respond to individual learning needs of students, but also to societal and/or organizational demands. Such needs and demands serve as the bases for developing a responsive and viable curriculum. The curriculum defines the scope and content of what students should learn and what must be taught. Teaching and learning methods are assembled around achieving curriculum goals and objectives. Formative and summary assessment techniques are likewise formulated and administered to measure/improve the curriculum and instruction. Figure 4 shows the needs-curriculum-teaching-assessment-outcomes continuum (Mangahas 2004).

Curriculum design encompasses the horizontal and vertical organization. The horizontal organization is concerned with the side-by-side arrangement of curriculum components. The vertical organization, on the other hand, is concerned with the longitudinal arrangement of curriculum elements—the placement of additional skills development. Under the horizontal organization are scope and sequence. Scope is the breadth and depth of the content of a curriculum—from simple to complex principles, required common content, and elective or special content. Sequence is the order by which the curriculum content is presented. Under vertical organization are continuity and integration. Continuity refers to the vertical reiteration of major curriculum elements. Integration refers to the horizontal relationships of curriculum activities.

Inasmuch as the academic curriculum is a very important element in ensuring quality delivery of educational services, it must be emphasized that learning outcomes are shaped by i) university/school factors, ii) system/supporting inputs, iii) student characteristics, and iv) contextual factors (Cortes 1993). Overall, the effectiveness of a university or school is conventionally measured in terms of learning achievement, completion rate, and competitiveness of graduates in the labor market.

Figure 4. Role of the Academic Curriculum



Source: Mangahas 2004.

University/School factors consist of i) university/school vision/mission, ii) university climate/culture, iii) curriculum and instruction, iv) leadership and quality of staff, and v) teaching/learning processes. Although the vision/mission statement predictably sets high expectations, it needs to clearly state the expected outcomes. The educational institution must have a strong commitment to excellence and the organization geared toward delivering better services and results.

The university/school must have a capable teaching force. It also requires competent leadership to manage school resources and, more important, provide effective instructional supervision. A system of responsibilities and accountabilities must also be established and operationalized. Rewards and incentives are likewise necessary. Teaching/Learning processes alongside assessment/testing techniques must be aligned with the curriculum. Both teachers and students must strive for academic excellence. Students have to assume learning responsibilities.

The university/school must have supporting inputs from the educational system as well as from the community and parents/families of students. The concerned educational institution must have the legal mandate and resources to carry out its functions. Of course, the quality of students admitted into the degree programs is contributory to the success of the university/school. Institutional, political, economic, language, and cultural factors are also important in appreciating the capacity of the university/school to produce good graduates.

B. What Makes a Good Curriculum?

A quality curriculum must be very clear about what is to be covered, how it is delivered, and how to measure/assess learning. Learner objectives,

activities, and assessments must be closely linked to one another. An effective curriculum requires the following (MDESE 2004):

- a rationale that relates the goals and objectives of each subject area and course to the educational mission and philosophy;
- a general description of the content of subject areas at the undergraduate and graduate levels;
- statement of general goals for students in each subject area;
- specific, measurable learner objectives for each subject;
- alignment of the measurable learner objectives for each subject to the knowledge, skills, and attitudes that students need to meet the curriculum goals and standards;
- instructional strategies (activities) and specific assessments (including performance-based assessments for a majority of the learner objectives);
- evidence that individual learner objectives have been articulated by subject and by course sequence; and
- review and approval for each curriculum guide.

Another perspective of an effective curriculum identifies five critical components: i) meaning, ii) coherence, iii) articulation, iv) high standards, and v) alignment (Figure 5) (MDESE 2004). The first element, *meaning*, refers to setting measurable objectives that focus on fundamental knowledge and processes. It includes a clear, defensible rationale and contains explicit course descriptions. In addition, meaning should articulate scope and sequence. Furthermore, meaning should provide assessments and instructional activities to measure established objectives.

Coherence pertains to the provision of adequate opportunities at each level in the curriculum or certain points in the learning process to build on prior knowledge and learning experiences.

Articulation in the effective curriculum model focuses on the promotion of learning at different year levels that is appropriately sequenced and related. It also connects topics within year levels/courses by unifying themes/concepts.

High standards establish a core set of challenging benchmarks or yardsticks of performance for all students. High standards promote in-depth learning and they help address student learning styles through a variety of instructional strategies. High standards in a curriculum also utilize a variety of assessments to evaluate levels of student understanding (and achievement).

Alignment is equally important in a curriculum. The curriculum must exhibit strong connections between written, taught, and evaluated learning.

The curriculum must likewise provide direction to the course content, process of delivering instruction, and methods for measuring progress of learning.

Other characteristics of an effective curriculum, instructional strategies and activities, and assessment program are listed in Table 5, which reemphasizes alignment and integration of the curriculum content, pedagogical tasks and activities, and assessment. Formation of the curriculum content begins with defining and sequencing aims, goals, and objectives of instruction. Knowledge and skills to be taught are prioritized in the curriculum in terms of being mandatory (must know), essential (need to know), and worthy (nice to know). Themes and topics are included and prioritized in the curriculum as a result of a systematic, well-informed, and highly consultative process. The vertical and horizontal linkages and interconnectedness of courses/subjects are likewise decided. It is also preferable that the philosophy or tone of a curriculum be guided by specific and acceptable learning models.

Instructional delivery is another important aspect that can make or break a good curriculum. Apart from the curriculum, instruction is shaped by teacher quality, pedagogical approaches, and instructional materials. The teacher (or medium) needs not only to have mastery of the subject matter, but must also apply appropriate processes and methods. The organizational structure and mechanisms to govern curriculum implementation and improvement must likewise be put in place.

Assessment relates not only to measuring if and how learning has taken place, but is also concerned with evaluating whether the goals and objectives of the delivered curricula have been obtained. Assessment methods are formulated to accurately provide information to measure learning and to improve instruction and curriculum.

C. Curriculum Design Prototypes

Prototypes of curriculum design are represented by three types: i) subject-centered, ii) learner-centered, and iii) problem-centered. The relative strengths and limitations of three prototypes are shown in Table 6. The *subject-centered curriculum design* is the oldest and most widely used. The scope and content of the curriculum are determined by the conventional range of subjects worthy of inclusion. The sequence of topics is largely a function of the logic of the subject matter.

The *learner-centered curriculum design* emphasizes individual development. This kind of curriculum design is more sensitive to learning needs, which makes it more effective than the traditional subject-centered design. The design is developed based on the needs, interests, and purposes

Table 5. Elements of a Good Program of Instruction

Characteristics of Effective Curricula	Characteristics of Effective Instructional Strategies and Activities	Characteristics of an Effective Assessment System
<ol style="list-style-type: none"> 1. Defines what students should know and be able to do 2. Is focused around meeting high standards 3. Demonstrates the connections within and among various content areas 4. Demonstrates vertical alignment between year levels 5. Demonstrates horizontal alignment within subject content or across different contents 6. Provides experiences and applications that demonstrate current and emerging options and connects to life 7. Consistently demands higher order thinking and problem solving for all students and provides opportunities for application of these skills 8. Consistently addresses the learning needs of all students while maintaining high expectations and performances 9. Systematically monitored and revised to reflect best practices and current research on student learning 10. Includes learner objectives related to equity, technology, research, and workplace readiness 	<ol style="list-style-type: none"> 1. Provides students with opportunities to connect and apply their learning to real-life experiences 2. Supports the identified objectives and assessments 3. Provides information to the teacher to adjust instruction and to meet the changing needs in order to improve student academic performance 4. Promotes thinking dispositions, meta-cognition, higher order thinking skills, and transfer of knowledge 	<ol style="list-style-type: none"> 1. Is aligned with the curriculum and agreed standards 2. Has scoring guides clearly defined to evaluate student work 3. Focuses on understanding and not just memorization 4. Is given on a continuous basis to provide a variety of opportunities for teachers and students to measure learning 5. Includes that which is authentic in nature and allows students to solve real-life problems 6. Provide opportunities for students to demonstrate multiple ways of responding to a given situation 7. Is specifically designed to provide meaningful feedback on student learning for instructional purposes 8. Is specifically designed to provide feedback on student's degree of success in learning a particular objective 9. Establishes procedures for administration of examination and use and dissemination of assessment data 10. Uses assessment data to improve curriculum, instructional practices, and student performance

Source: DFID 2003b.

Table 6. Curriculum Design Prototypes

Prototype	Advantages	Disadvantages
Subject – Centered (Instructivist)	<ul style="list-style-type: none">• Teachers possess subject matter expertise.• Materials to be learned are clearly laid out in textbooks/teaching references.• It is buttressed by tradition.• It is easy to administer.	<ul style="list-style-type: none">• Tendency for fragmented knowledge• Detachment from concerns and events of the real world• Inadequate consideration to the needs, interests, and experiences of students• Curriculum inefficiently arranged• Limited scope of goals• Passive concept of learning• Tendency of the curriculum to overexpand
Learner – Centered (Cognitivist)	<ul style="list-style-type: none">• The curriculum is determined by learners’ need and interests.• It espouses cooperative planning.• It focuses on problem-solving procedures for learning.• It has intrinsic motivation.• It provides for students’ individual differences.• It emphasizes process skills that students need in order to cope with real needs.	<ul style="list-style-type: none">• Questionable educative efficacy• Inherent lack of definitive horizontal structure• Lack of continuity• Extraordinary demands on competent teachers• Available textbooks and other teaching materials not geared to the requirements of such design
Problem – Centered (Constructivist)	<ul style="list-style-type: none">• Subject matter is presented in integrated form and in relevant form; content is in	<ul style="list-style-type: none">• Difficulties in determining scope and sequence of essential areas of living• Possible lack of integration and continuity across subjects

Sources: Doll 1974, McNeil 1981.

of students. It is not “pre-planned” or “off-the-shelf.” It evolves as teacher and students work together on content and tasks. The scope and content depend on what the learners need to learn. The sequence of topics is aligned with the absorptive capacity and even preferences of the learners.

The *problem-centered curriculum design* is similar to the learner-centered design, as they are both rooted in individual-centered epistemological assumptions. It is focused on building and strengthening competencies to enable the learner to function more effectively and productively in the community or society. The design aims to perform strongly in providing problem-analysis and problem-solving skills. Problem-centered design is nonetheless “pre-planned” in the sense that it is oriented to addressing pressing or common problems, which shape the scope, content, and sequence of instruction.

D. Approaches to Curriculum Review and Development

Academic review of high degree programs in United Kingdom is conducted using a phased approach. First, necessary preparations for the review are undertaken. Scope and preference surveys are undertaken to gather information on the following: i) the range of subjects offered, ii) desired programs to be included under each subject heading, iii) the estimated number of full-time equivalent students for each program, and iv) the institution’s preferred timing for the review and any preferences for subjects to be reviewed. With the time schedule mapped out, initial profiles are prepared to commence a dialogue with the concerned educational institution on the overall approach to and intensity of the review. Self-evaluation documents and program specifications are prepared at this stage.

Second, the points of reference for the review are laid down. A framework of higher education qualifications is used to provide reference points to determine whether the intended outcomes for programs and actual student achievement are appropriate to the level of the qualification awarded. Subject benchmarks are likewise established, which represent the general expectations about standards for the award of qualifications at a given level in a particular subject area.

Third, the review is conducted. One approach involves a peer review, where judgments are made by those who understand the subject under scrutiny and who are familiar with the teaching and learning processes. The other approach is to review against the broad aims of the concerned educational institution.

Fourth, judgments are made on academic standards and quality of learning opportunities based on the results of the review. Reports are written, disseminated, and discussed to come up with decisions on what to do with the curriculum under review.

The University of British Columbia in Canada suggests a step-by-step circular procedure to design an effective curriculum: i) convene faculty members, ii) develop the concept, iii) draft the content, iv) consider the learners, v) prioritize the substance, vi) evaluate learning, and vii) organize for learning (UBC 2004).

Convene faculty members. When proposing a new curriculum/course or revising an existing curriculum/course, the idea must be explored with colleagues. Questions that might be helpful in identifying who could join the dialogue include

- Who is willing to talk about teaching?
- Who will be involved with the course?
- Who should be part of the discussion?

Develop the concept. Faculty members usually have a good grasp of the courses they teach and why they are taught. What is clear to them, nonetheless, may seem vague when made public to the students and to colleagues. When preparing a course, a series of courses, or university-wide curricular objectives, it is useful first to establish a clear understanding of the course. A very helpful way to do this is to ask and answer relevant questions about the important aspects of the “what” and “why” of any course. Some guide questions may include

- What is the critical idea, skill, or attitude that students must learn from the course?
- How will this course improve the present program?
- What are the specific problem(s) this course is meant to address?
- Why should this course be included in the departmental and program offerings?

Draft the content. Having deliberated on the concept and how it will fit, the question now becomes, exactly what i) knowledge, ii) skills, and iii) attitudes or beliefs the concerned educational institution wants its students to learn. Options may include wanting students to understand concepts or master ideas, to be able to critique established ideas and formulate something better, or to demonstrate the ability to follow a procedure. Attitudes or beliefs may focus

on personal growth and the appreciation of certain ideas. Possible content may consist of all suggestions of individual faculty members, disciplinary strictures, degree program requirements, and university objectives. The end result is a pool of rich ideas from which the course will be structured.

Consider the Students. Courses/Subjects are taught to students who enroll/take them with both homogeneous and heterogeneous levels of knowledge, skills, and attitudes. Since the aim of the curriculum is to build on what they already know, thus helping them reach new levels of competence, it is important to know what they know, which is helpful in determining course level and the necessity of prerequisites. Some useful questions to ask are

- Who should take the course/subject?
- What should they know, be able to do, and believe before they take the course/subject?
- Who else may take the course/subject?
- What will they most likely know, be able to do, and believe before they take the course/subject?

Prioritize topics. After the possible substance has been gathered and the potential student identified, topics for inclusion in any course/subject must be prioritized. Establishing a ranking system not only helps in identifying the course/subject content, but also provides areas of enrichment for students or possibilities of further course development. Useful questions include

- What must a student know, be able to do, or believe as a result of this course?
- What might be nice to know, but not as essential?
- What is redundant?
- What is less relevant? Or irrelevant?

Evaluate learning. The evaluation of the course, if properly designed, provides the operational definition of the course. As such, the “what”, “when” and “why” of course evaluations are essential in any type of assessment. Evaluations are the most powerful feedback to teaching and learning instruments and it is necessary to begin immediately to determine how to know what students are learning.

Evaluations should be focused and specific. If the goal is to make students learn to think, then thinking is evaluated. Similarly, if the goal is for students to learn a skill, evaluation should require demonstration of the skill. Learning goals related to changes in attitudes and beliefs are obviously more difficult

to evaluate. Such evaluations are usually derived through feedback from their peers, colleagues, and coworkers.

Before structuring how a course is to be taught, it is best to decide if it is appropriate for students to compose a term paper, do a synopsis of a journal article, critique a chapter of a book or the entire book, make an oral report, answer a quiz or examination, prepare a role-play, analyze a case, solve a problem, or answer ambiguous multiple choice questions. Other useful questions:

- How frequently should evaluation be conducted?
- What should be the weighting of various evaluations?
- How will fairness be monitored?

Organize for learning. Once the content of learning has been formulated, it is imperative to think about how to make this knowledge and these skills, attitudes, and beliefs accessible to students. Teaching methods should be selected on the basis of how students can learn most effectively and efficiently what the concerned educational institution wants them to learn. Some questions to ask include

- How can the material be sequenced most effectively?
- What will the students need to do to enable them to learn? (Will they need to talk, listen, argue, do experiments, write, compute, discuss, criticize, analyze, apply, synthesize, evaluate, or what?)
- Which teaching methods will work best for what we want students to learn? (lecture, discussion, lab seminar, self-study, cooperative learning group, problem session, etc.)
- What additional material will facilitate student learning? (Would a course manual, a case study, a field trip, a lab exercise, a problem set, a question sheet, or a simulation be helpful?)
- What needs to be included in the course outline?

VI. Strengthening Public Administration Education

In light of the agenda set by the MDGs, how can schools of public administration make themselves more relevant? What must public administration students know? What should be taught? In sum, what is the appropriate program of instruction in support of the MDGs?. Learning competencies in the study and practice of public administration need to emphasize the following:

- Communicating the MDGs to leaders, policy makers, service providers, and citizens;
- Generating and sustaining policy and institutional commitment;
- Building partnerships and networks;
- Translating the MDGs into specific actions that can be taken at the national, subnational, community, and family levels;
- Identifying the process and implementation arrangements for achieving the MDGs;
- Benchmarking, monitoring, evaluating, and reporting progress on the MDGs;
- Generating and allocating resources for the MDGs; and
- Promoting and managing institutional and organizational development.

Some fundamental issues need to be addressed to improve existing curriculum designs in public administration. First, the MDGs need to be integrated into academic curricula of public administration. A survey conducted by this author involving 102 participants in the recent national conference of the Association of Schools of Public Administration in the Philippines reveals low levels of awareness of the MDGs among the participants before attending the said conference and a desire on their part to learn tools and techniques for achieving the MDGs.² Table 7 summarizes the results of the survey.

Second, curriculum development needs to be more systematic, research-based, and oriented toward addressing student learning needs. As a matter of practice and norm, the teacher has complete flexibility and discretion in what themes or topics to include in his/her course. The teaching methods, course references or readings list, and course requirements are likewise decided by the teacher. Previous course syllabi or the experience of having studied the same subject before serves as a guide in designing and delivering the course. There are no explicit guidelines or standards to follow in teaching the subjects. Institutional mechanisms for instructional supervision or peer review—which are key in ensuring quality and high academic standards—are scarce, if not nonexistent. In the absence of written guidelines, newcomers may find it difficult to teach.

Academic curricula commonly lack efficient organization of subjects. In addition to the vague vertical and horizontal integration of subjects, the

² National Conference on Public Administration and the Millennium Development Goals: Challenges and Reforms for Effective Teaching and Capacity Building for Service Delivery, University of the Philippines, 18–21 October 2004.

Table 7. Quick Survey of ASPAP Members on Student Awareness of MDGs in Public Administration Curricula

Questions		Scales					N
		Low 1	2	3	4	High 5	
1. To what extent are the MDGs integrated in your academic curriculum?	f	23	21	38	16	4	102
	%	23	21	37	16	4	100
2. How would you rate your level of awareness about the MDGs before the conference?	f	14	22	35	22	9	102
	%	14	22	34	22	9	100
3. To what extent is your curriculum design based on research and student learning needs?	f	3	14	42	39	4	102
	%	3	14	41	38	4	100
4. To what extent does your curriculum clearly identify the learning objectives?	f	5	8	35	43	10	101
	%	5	8	34	42	10	99
5. To what extent does your curriculum emphasize learning practical skills?	f	4	10	26	54	8	102
	%	4	10	25	53	8	100
6. How would you rate the readiness of your graduates to promote institutional/organizational change?	f	3	13	50	34	2	102
	%	3	13	49	33	2	100
7. Please rate your need to know tools and techniques for achieving the MDGs.	f	1	4	24	41	32	102
	%	1	4	24	40	31	100

f = frequency; MDG = Millennium Development Goal; N = 100 (school administrators and academicians attending the Conference).

Source: Author's research.

curriculum is unclear as to relative emphasis that needs to be given to an “agreed” set of topics (e.g., what topics should be discussed and how much time should be given to discussing each). The lack of clarity and specificity of learning objectives and outcomes can create problems in delivering instruction and assessing teaching/learning.

Third, most academic curricula in public administration tend to be subject-centered. The logical structure and sequence of courses and topics of academic curricula are greatly influenced by textbooks or references. Too often, curriculum designs have been oversimplified and reduced to a mere list of courses with the corresponding academic credits that must be accrued over a prescribed period of time. Even worse, such a list has been copied or drawn from other schools perceived to be leaders in the field. Written and explicit curriculum guidelines are rather uncommon.

When the curriculum is subject-centered, there is a tendency for lessons to be fragmented, to the extent that students find it difficult to appreciate the interconnectedness of the different subjects studied. The courses also generally tend to be detached from concerns and events of the real world. A study shows that graduates and students clamor for more practical examples (Mangahas 2004).

Degree programs are usually shaped by what the school wants to teach instead of what the student needs to learn or what the larger community demands. Many programs of instruction favor passive concepts of learning, which rely heavily on lectures and oral reports.

Fourth, curriculum objectives should be made more specific and measurable. Similarly, the learning objectives and outcomes should be clearly articulated. The contents and instructional strategies will therefore be organized around the desired learning objectives and outcomes. The statement of objectives and outcomes also serves as the reference points to measure learning. The desired curriculum must be properly disseminated with adequate guidelines and standards to implement it.

In a recent curriculum study, content analysis of course syllabi indicates varying interpretations of public administration courses among the faculty members (Mangahas 2004). Course requirements for the same subjects vary according to the teacher. The study also points out wide variations in the number and emphasis of course topics or sessions for a course being taught by different teachers. Teaching and learning inputs similarly vary.

Issues have therefore been raised regarding the validity and fairness of questions during the examinations. Summary and formative forms of evaluating learning, such as examinations, should be congruent with what has been taught to the students. The quality of current degree programs in public administration can be further strengthened by putting in place

reasonable, consistent, and objective standards for providing teaching/learning inputs. Improving the curriculum is absolutely a step in the right direction by aiming to provide quality education in public administration and governance.

Given the challenges facing public administration education in this country, the Association of Schools of Public Administration in the Philippines should be able to provide leadership in standards setting, curriculum development, and measurement of learning outcomes.

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Teaching Policy Analysis in a Complex World: The Post-Positivist Route for Programs in Asia and the Pacific

Dan Durning¹

I. Introduction

The study of public policy analysis has been a growth area for more than 2 decades. In 1991, when Theodore Lowi delivered his presidential address to the American Political Science Association (APSA), he labeled “policy analysis” as a “hegemonic” subdiscipline within political science, citing the creation of new schools of public policy as evidence (Lowi 1992). However, he probably did not fully anticipate the number of new public policy schools and programs that would be established in the following years. Also, he did not acknowledge the dispute over the proper location of public policy analysis as a focus of study. Not only is public policy claimed as a subdiscipline by political science, public policy analysis is viewed by some as a field in the study of public administration and by others as a separate discipline.

In tracing the development of the policy analysis field/subdiscipline/discipline, three major foundational milestones are noteworthy:

- Harold Lasswell, a leading political scientist, proposed creation of the “policy sciences” to study both how policy decisions are made and to provide “intelligence” for important decisions facing the United States (US) Government and the world (Lasswell 1951).
- During the Kennedy and Johnson presidential administrations, federal agencies, most notably the Department of Defense, created analytic units to provide analysis needed to implement new planning, programming, and budgeting systems and to provide quantitative information to assist with policy decisions (Radin 2000).
- In the late 1960s, foundation grants assisted the creation of graduate public policy schools and programs at a small number of prestigious universities, including Harvard; University of California (UC),

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Berkeley; Carnegie-Mellon; University of Michigan; University of Pennsylvania; and University of Texas (Radin 2000). The new policy analysis programs were not placed in an existing public administration program (which, in the case of Berkeley, was abolished). Instead, they had curricula that differed substantially from public administration programs and were instead patterned after schools of business administration. Each of the new public policy schools and programs had its own features (see Wildavsky [1979: appendix]).

Since the creation of the schools of public policy in the late 1960s, the number of graduate degrees in public policy has grown continuously, as has the number of universities offering the degree. Also, policy schools and programs have been established outside the United States. Policy degree programs can be found in most developed and many developing countries.

In the US, almost all universities offering programs or degrees in public policy analysis have adopted a similar intellectual framework and curriculum. In this framework, policy analysis is a craft through which policy analysts formulate advice for policy makers. As described by Aaron Wildavsky, creator of the UC-Berkeley policy school, policy analysts are incrementalists (“seeking to move away from known bads, rather than toward grandiose good”), parochial (localists at heart, “they want to know what is happening in some small and therefore manageable part of the country”), empiricists (“data grubbers”), and mini-economists (Wildavsky 1985). According to Wildavsky,

Completed work is the aim of the analyst. The implementation of analysis—its acceptance by the client organizations, its conversion into programmatic action, its execution in the field, evaluation of its operations, and its subsequent modification to better achieve desirable results—is the success the analysts seeks (1985: 35).

Ironically, although policy schools and programs have a craft framework, their curricula emphasize courses better suited to make students social scientists. As discussed in more detail later in this paper, the core courses in most policy school curricula still include statistics, applied microeconomics, and applied political science, with programs adding some combination of courses in organizational theory, law, and ethics.

As universities and colleges outside the US begin their own programs and schools of public policy, they face an important question: should they adopt the traditional policy analysis curriculum and framework as taught in US universities? As they address that question, they should also consider these: is policy analysis best understood as a mixture of applied microeconomics and applied political science, carried out by quasi-scientists with positivist

methods? Is policy analysis done largely in a cultural vacuum addressing universal values? If not, will traditional policy analysis yield good advice for policy makers?

In this paper, I argue that universities in Asia and the Pacific interested in starting new policy analysis degree programs should not necessarily turn to the dominant intellectual framework and curriculum of policy schools and programs in the US. Instead, they should look carefully at other models, including that of the “policy sciences” as formulated by Harold Lasswell, with its emphasis on policy analysis as multidisciplinary, contextual, and problem-oriented. I maintain that this model, with the addition of post-positivist methods, enables policy analysts to provide better advice on how government should address messy issues in an increasingly complex world.

II. Three Perspectives of Public Policy Analysis

The terms “public policy” and “public policy analysis” are too often used interchangeably. They are not synonymous. In the narrow sense, “public policy” is best understood as a noun. It is the output of the political system: the laws, regulations, taxes, and public expenditures legitimately enacted by governments. In the broad sense, “public policy” includes the institutions that make the policy decisions, the groups that try to influence the decisions, the process by which public decisions are made, and the governmental outputs of the policy process. Within the process of making public policies, some institutional and political actors provide “advice” or “intelligence” to improve policy decisions; policy analysis is one means of providing this advice or intelligence for decisions.

The study of “public policy” is typically done within the discipline of political science; however, economics has edged onto this turf with its theories of public choice and political economy. As a subdiscipline in political science, public policy is subject to study through social science methodologies with the goal of understanding or explaining.

Separated from “public policy,” public policy analysis can be studied through three main perspectives. In the first perspective, “policy studies” views policy analysis as an input into the policy process. Thus policy analysis is best understood within the context of political science’s public policy subdiscipline and best studied with social science methodologies. The second perspective, mentioned earlier, is the “traditional policy analysis” perspective that draws heavily on applied microeconomics, political science, and statistics. This perspective guides most public policy schools and programs. The third perspective is the “policy sciences,” with its key tenets that “intelligence”—policy advice—for policy makers should be multidisciplinary, problem-oriented, and contextual. This perspective was formulated by Harold Lasswell (see

Lerner and Lasswell [1951]). It has not been widely adopted by policy schools or programs as a model to guide their curricula. These three perspectives are discussed in more detail below.

A. Policy Studies

Policy studies—the study of public policy—takes place largely in departments of political science. Public policy courses examine how policies are made, including such things as decision-making institutions, political and organizational dynamics, policy-making processes, and the use of analytic inputs such as policy analysis. Policy studies includes the formulation of theories and frameworks of policy making (e.g., see Sabatier [1999]) and the testing of those theories. Policy analysis may be an element of these theories and empirical tests.

In general, teachers and researchers of policy studies are likely to view themselves as social scientists, and their work is subject to the norms of positivistic social science. Aside from the political theorists among them, most carry out research using quantitative methods that are used widely in the social sciences. They test hypotheses by collecting data and using statistical methods to analyze them.

As shown in Table 1, most policy studies teachers and researchers are likely to affiliate with the American Political Science Association (although it rarely publishes their research in its main journal, the *American Political Science Review*) and the Policy Studies Organization (PSO), an APSA affiliate with more than 800 universities and institutions in its membership, as well as individuals in more than 80 countries. The main policy studies journals are published by PSO: the *Policy Studies Journal* and *Review of Policy Research*.

Many leading public policy theorists are affiliated with APSA and/or PSO. They present their research at the annual conference of the American Political Science Association, and at other political science conferences.

B. Traditional Policy Analysis¹

I use the generic term “traditional policy analysis” to indicate the dominant model of public policy analysis in the US. This perspective is found in most graduate policy analysis programs in the US, in both schools of public policy and public policy programs within public administration programs.

¹ This discussion of traditional policy analysis is adapted in part from Durning (1999).

Table 1. Approaches to the Study of Public Policy Analysis

Characteristic	Framework for Study of Policy Analysis		
	Policy Studies	Policy Analysis	Policy Sciences
Orientation	Political science (social science)	Discipline or field of public administration	Interdisciplinary professional activity and social science
Professional/Academic Organization	American Political Science Association (APSA), Policy Studies Organization (PSO)	Association of Public Policy Analysis and Management (APPAM)	Society for the Policy Sciences
Main Journal(s)	<i>Policy Studies Journal, Review of Policy Research</i>	<i>Journal of Policy Analysis and Management</i>	<i>Policy Sciences</i>
Typical Textbook	Dye 2001, Peters 2003	Weimer and Vining 1999, Dunn 2004	Lasswell 1971, Brewer and deLeon 1983
Goal	Understanding how public policy is made (theory and practice); policy research	Provide advice to policymakers to improve public policies	Understand how public policy is made and provide “intelligence” to improve policy decisions
Website	http://www.ipsonet.org/	http://www.appam.org/	http://www.policysciences.org/society.htm

Source: Author's findings.

In the traditional policy analysis model, as mentioned earlier, policy analysis is viewed as a craft, but the core courses in its curriculum have a scientific, positivist orientation. The traditional policy analysis program requires students to master applied microeconomics and have knowledge of applied political science. They also are required to study statistics, with courses that differ little from statistics courses taken by social science majors in all disciplines.

Most faculty members teaching courses in policy analysis schools and programs have doctorates in economics, political science, or public policy, or have law degrees. Many are members of the Association of Public Policy Analysis and Management (APPAM), but also have memberships in the associations related to their disciplines (e.g., American Economic Association) or fields

of policy expertise (e.g., energy, environment, social policy, urban affairs).

APPAM publishes a journal for faculty members who teach and conduct public policy research: the *Journal of Public Policy Analysis and Management (JPPAM)*. At present, 73 universities are institutional members of APPAM. Most of the member universities are located in the U.S., but some are also in Japan; Singapore; Canada; Taipei, China; Italy; and New Zealand.

Traditional policy analysis grew up around a core of assumptions and methods firmly founded in positivism. Friedmann (1987: 139) traced the intellectual heritage of policy analysis back to systems engineering, operations research, management science, and political and administrative sciences. To that list, microeconomics must be added (deLeon 1988: 24).

The early traditional policy analysis literature introduced systems analysis and operations research methods, especially as applied in defense (e.g., Hitch 1965, Quade 1966, Quade and Boucher 1968), and described how to apply these quantitative analytical methods to solve policy problems. It also suggested how to apply microeconomic reasoning, especially welfare economics, to the study of policy problems (Rivlin 1971, Schultze 1968, 1977). Operations research methods (e.g., difference equations and Markov chains), welfare economics, and cost-benefit analysis were among the analytic tools policy analysts covered in one of the first and most widely used policy analysis methods textbooks (Stokey and Zeckhauser, 1978).

Many recent policy analysis textbooks (e.g., Gupta 1994, MacRae and Whittington 1997, Weimer and Vining 1999), but not all (Dunn 2004, Fischer 1995), emphasize a modified systems analysis approach to analysis and have incorporated welfare economics as core knowledge important for analysts. For example, Weimer and Vining (1999), now in its third edition, set out a rationalistic policy design approach that devotes a major part of the book to defining problems as types of market or government failure and then linking the problems to sets of possible solutions. Reflecting on how positivism has influenced the development of traditional policy analysis, Torgerson (1986) writes:

Policy analysis today bears the unmistakable imprint of the positivist heritage... The relationship between methodological theory and actual research practice is a complex, rather than a simple and direct, one. In the case of policy analysis, the influence of positivism has been pervasive not only in letter, but also in spirit. That is to say, policy analysis has been influenced not only by the rather cautious and relatively recent doctrines of logical positivism, but also by the exuberant industrialism promoted by the positivism of the 19th century (35).

The influence of the positivist heritage of traditional policy analysis is seen in *JPPAM*. It is regularly filled with policy research employing microeconomic models, statistical analysis, and other social science-based hypothesis testing focused on a particular policy area. It is also evident in the annual APPAM conference, which in recent years has been dominated by papers using positivist economic and other social science research methods to address a small set of policy issues.

Although systems analysis, operations research, statistics, and microeconomics have been and remain important in the education of policy analysts, founders of the discipline, and many of the present leaders of the intellectual infrastructure of the discipline, are not methodological zealots who have ignored the craft aspect of policy analysis. From the beginning, influential books and textbooks have presented policy analysis as a craft that makes use of quantitative tools within the context of politics and organizations, and sometimes ethics. For example, Quade (1975) writes, “No public policy question can be answered by analysis alone, divorced from political considerations; judgment and intuition play a large role” (viii). And Hitch (1965) writes, “I am the last to believe that an ‘optimal strategy’ can be calculated on slide rules or even high-speed computers... Systems analysis is simply a method to get before the decision maker the relevant data, organized in a way most useful to him” (53).

While acknowledging the craft perspective promulgated by the intellectual infrastructure for traditional policy analysis and the pragmatic, practical orientation of policy schools, it is essential to note that the main analytic tools taught to future analysts are positivistic. These tools are presumed to be value free and are intended for use by objective analysts dispassionately analyzing policy issues from an outside perspective. These tools are used to collect and manipulate facts that are distinct from values. Thus, when analysts use welfare economics concepts in their analysis to define problems and identify solution sets, they assume that this framework does not incorporate values that affect the advice they give and that their use of this framework can be done without their own values or other values affecting the advice they give. Such tools are best used by individual analysts or a small team of analysts who work as apolitical advice-givers.

C. Policy Sciences

The policy sciences are most closely associated with Harold Lasswell and his colleagues at the Yale University School of Law. Among his many

achievements, Lasswell was an early innovator in political science: a leader in developing political psychology (see Ascher and Hirschfelder-Ascher 2005), the study of public opinion, and the policy sciences. His seminal article on public policy was published in 1951 as an article in a book entitled, *The Policy Sciences*. (Lasswell co-edited the book with his colleague Daniel Lerner.) His vision of the policy sciences is summarized in these paragraphs contained in that chapter:

A policy orientation has been developing that cuts across the existing specializations. The orientation is twofold. In part it is directed toward the policy process, and in part toward the intelligence needs of policy. The first task, which is the development of a science of policy forming and execution, uses the methods of social and psychological inquiry. The second task, which is improving the concrete content of the information and interpretations available to policy-makers, typically goes outside the boundaries of social science and psychology (Laswell 1951:3).

If the rationality of the policy process is to be improved, we must single out the intelligence function for special study. To some extent, the task of improving the intelligence function depends upon more effective techniques of communication, among research workers, policy advisers, and the makers of final decisions. Therefore the policy sciences are advanced whenever the methods are sharpened by which authentic information and responsible interpretations can be integrated with judgment (4).

We can think of the policy sciences as the discipline concerned with explaining the policy-making and policy executing process, and with locating data and providing interpretations which are relevant to the policy problems of a given period (14).

The three main characteristics of the policy sciences, as envisioned by Lasswell, were that it would be multidisciplinary, problem-oriented, and contextual. These characteristics are discussed below.

Multidisciplinary. For Lasswell, the policy sciences were intended to help solve pressing issues facing society. To do so, all disciplines—social and physical sciences—were to be engaged as needed. He wrote, “The cultivation of the techniques of bringing about easy cooperation among ‘interdisciplinary teams’ is one of the principal tasks of an evolving policy science” (1951: 14). In the same vein, he wrote, “...where the needs of policy intelligence are uppermost, any item of knowledge, within or without the limits of the social disciplines, may be relevant” (3).

Thus, he viewed the intelligence function as broadly multidisciplinary, calling on contributions from psychology, sociology, anthropology, biology, and physics, as well as from economics and political science. The

multidisciplinary nature of policy sciences can be seen in his selection of contributors to the book, *The Policy Sciences*. Chapters were written by eminent sociologists (Edward Shils, Robert Merton, and Paul Lazerfeld), anthropologists (Margaret Mead and Clyde Kluckhohn), psychologists (Rensis Likert) and economists (Kenneth Arrow).

Problem Oriented. Lasswell saw the policy sciences as a way to bring to bear the best knowledge available to solve fundamental problems facing the US and the world. Thus, he did not believe the policy sciences should be oriented toward a particular discipline or methodology, or toward producing generalizable knowledge, but toward finding ways of solving the most pressing problems facing the world. He wrote,

The basis emphasis of the policy approach... is upon the fundamental problems of man in society rather than topical issues of the moment... The point is that all the resources of our expanding social science need to be directed toward the basic conflicts in our civilization which are so vividly disclosed by the application of scientific method to the study of personality and culture (8).

Contextual. Lasswell did not view the task of the policy sciences as that of testing hypotheses for general propositions concerning political and social behavior (Ascher 1987). Instead, he believed that policy issues are located in specific contexts, and that the policy sciences should provide intelligence on issues at a specific time and in a specific location. In that regard, he wrote, "The policy frame of reference makes it necessary to take into account the entire context of significant events (past, present and prospective) in which the scientist is living" (Lasswell 1951: 14). He also wrote,

Successful prediction depends upon the cultivation of certain patterns of thinking. For instance, it is important to consider the entire context of events which may have an impact upon the future problems of policy. Hence the world as a whole needs to be kept as the focus of attention. It is also essential to cultivate the practice of thinking of the past and the future as part of the context, and to make use of 'development constructs' as tools for exploring the flow of events in time (4).

Democracy. One other important element of Lasswell's view of the policy sciences is his expectation that it would be used to promote the practice of democracy. He expected that the intelligence function would be used to help enact policies that would achieve human dignity "in theory and fact." He wrote,

The dominant American tradition affirms the dignity of man, not the superiority of one set of men. Hence it is to be foreseen that the emphasis will be upon the development of knowledge pertinent to the fuller realizations of human dignity. Let us for convenience call this the evolution of the “policy sciences of democracy” (1951: 10).

This short sketch of Lasswell’s vision of the policy sciences raises the question of how this perspective differs from traditional policy analysis. The differences can be summarized as follows:

- Policy science is meant to be truly multidisciplinary rather than bidisciplinary or tridisciplinary. It envisions the inclusion of all kinds of social scientists, including anthropologists, sociologists, and psychologists. Also, it expects, on occasion, to call on biologists, physicists, and other “hard” sciences for participation in the intelligence function. This multidisciplinary model differs greatly from the traditional policy analysis model in which economists and political scientists have the leading roles.
- The contextualism and problem orientation of the policy sciences separate the field from the social sciences and the social scientist’s search for general laws. Particularly, it stands in contrast to microeconomics and the simple positive model of human behavior that underlies it (i.e., utility maximization and profit maximization within a perfectly competitive market). In the policy sciences, human behavior is viewed as much more complex, shaped by forces of the past, such as history and culture, and influenced by the symbols and myths potent at that particular place at a particular time (Durning 2001).
- The policy sciences’ contextualism leads quickly away from the positivism guiding traditional policy analysis. It suggests the value for intelligence of focusing on an important issue within its context (past, present, and future). The focus can lead directly to an effort to understand
 - i) different views of stakeholders concerned about the issue,
 - ii) the forces of history, society and culture shaping competing views,
 - iii) social trends leading into the future, and
 - iv) useful knowledge (drawn from all sources) on how best to solve this particular problem at this time at this place.

- In the policy sciences' search for solutions to difficult issues facing society, it does not—as does traditional policy analysis—automatically turn to “efficiency” as the main criterion to guide the selection of the best option. Instead, it seeks to maximize effectiveness (how well the problem is solved) and human dignity.

The policy sciences approach has a small number of advocates and a larger number of supporters scattered in universities and organizations throughout the US and the world. The advocates include several people who studied with Lasswell. However, few policy analysis schools or programs have associated themselves with the policy sciences perspective. One that did, Duke University's Institute of Policy Sciences and Public Affairs, later changed its name to the Sanford Institute of Public Policy. Programs presently guided by policy sciences can be found at Yale University and the University of Colorado. The University of Maryland-Baltimore County (UMBC) offers a graduate degree in the “policy sciences,” but its curriculum does not appear to be guided by the policy sciences framework.

In 1995, two leading policy scientists, William Ascher and Ronald Brunner, examined the question of why the policy sciences have not become more widely used as a framework for analysis. They wrote:

... amidst the proliferation and explosive growth of various partial approaches to law, science, or policy, our distinctive tradition has been losing ground:

- We have not clearly distinguished the policy sciences from partial approaches that are relatively problem-blind (e.g., “policy studies”), acontextual (e.g., “policy analysis”), or methodologically constrained (e.g., “cost-benefit analysis”). The New Haven School is an exception, clearly distinguished within international law.
- We have not systematically updated and advanced the shared intellectual capital of the policy sciences. With the partial exception of *Jurisprudence for a Free Society*, the core literature of the policy sciences is at least a quarter century old and not readily accessible to interested newcomers, including students, academics, and practitioners.
- We have not actively trained or attracted enough aspiring policy scientists to replace retiring policy scientists. Most of those who attend the Annual [Policy Sciences] Institutes were trained at Yale by Lasswell, McDougal, or Reisman, or collaborated with them on various projects.

We have been losing ground because the partial approaches are typically more visible and available to newcomers, and better organized to support them; and because partial approaches can more easily accommodate the prevalent demand for ever more specialization by intellectual task, discipline,

subdiscipline, policy area, method, or the like. Specialization is necessary for the advancement of knowledge and often for the advancement of academic careers in law, science, or policy. But specialization is not sufficient for purposes of the policy sciences, because policy problems typically do not conform to the academic or bureaucratic division of labor (Ascher and Brunner 1995).

III. Alleged Failures of the Traditional Policy Analysis and its Positivist Perspective²

Although the traditional policy analysis approach dominates policy schools and programs, it has been intensively criticized and its efficacy has been challenged. It and its positivist foundations have been described as ineffectual, misguided, and even antidemocratic.

Ineffectual. Critics have suggested that traditional policy analysis is inadequate to improve policy decisions. They maintain that instead of contributing to better decisions, it harms society by providing wrong or misleading advice.

The alleged failure of policy analysis to improve policy decisions is linked directly to its epistemological framework, in which the analyst is viewed as an objective, value-free scientist searching for the truth. The criticisms of the positivist foundation of policy analysis are numerous and varied (for example, Brunner 1991; Guba 1985; Hawkesworth 1988; Innes 1990; Jennings 1987; Maguire 1987; Majone 1989). An early and powerful criticism of positivist-based policy analysis was written by Tribe (1972), who worried that it might be an ideology parading as analysis. One of the milder, more practical criticisms of positivist-based policy analysis is that positivism and its objectivist epistemology contribute to bad analysis. In this regard, Brunner writes:

Positivist assumptions... narrow the analyst's focus of attention to a small number of factors; they suggest that the relationships among these factors are fixed, standardized, and otherwise independent of context; and they divert attention from the significant role of the analyst's subjective viewpoint, including value commitments, in the conduct of inquiry. The resulting errors of analysis are obscured and perpetuated by the rhetoric of positivism (Brunner 1991: 82).

Many critics believe that traditional policy analysis does not provide good advice because it lacks tools to analyze complex, messy problems. Some point out that the microeconomics framework is intended to identify efficient solutions, and it is not adequate to analyze complex issues in which

2 Parts of this section are adapted from Durning (1993) and Durning (1999).

effectiveness, fairness, or human dignity trump efficiency. Others argue that while statistical methods are valuable to identify variables affecting public opinion and attitudes, they are not capable of understanding, in its full complexity, how people think about policy issues (Brown 1980).

Misguided. Critics maintain that traditional policy analysis is misguided for three reasons. First, as discussed above, its positivist foundations result in the use of inadequate and misleading methodologies and a fundamental misunderstanding of the task of formulating useful advice. Second, traditional policy analysis is based on an understanding of governance that no longer accurately reflects reality. Third, traditional policy analysis uses an antiquated and wrong model of science as its measure of good analysis.

The argument that traditional policy analysis is based on an outdated model of government can be found in a recent book by Hajer and Wagenaar (2003). In it, the authors maintain that traditional, positivist policy analysis fit (and still fits) Madisonian (i.e., hierarchical, elitist) democracy as practiced in Western democracies during most of the 20th century. However, they say that society in developed countries is going through radical social change that requires a different type of democracy with a different type of analysis. They label the new order a “network society” that creates “new actors, new sites, and new themes” (2003: 6). They argue that traditional policy analysis does not meet the needs of this new model of democracy; instead, they assert, “deliberative policy analysis” best serves the needs of the network society.

Göktü Morçöl (2002) argues that positivist traditional policy analysis does not work well because it is based on an outdated understanding of science. Like Hajer and Wagenaar, he describes traditional policy analysis as reflecting a Newtonian/positivist worldview (or mindset) with a realist and deterministic ontology and an objectivist (or empiricist) epistemology (2002: 2). He argues that this Newtonian worldview underlying traditional policy analysis has been discredited by research in fields of quantum mechanics, chaos theory, and cognitive science. He suggests that new models of policy analysis are needed that take into account the reality of science reflected in the findings of these fields. Fischer (1998) has made a similar argument that traditional policy analysis is based on an outdated view of scientific method and the practice of science.

Antidemocratic. Some critics allege that traditional policy analysis reduces the influence of citizens on policy decisions. The importance of public preferences is diminished when the advice of policy analysts—and other experts—is accepted as authoritative. According to John Dryzek (1989: 103), “The main political function of the cumulated weight of technically sophisticated policy analysis may be to promote the idea that public policy is properly the prerogative of experts.”

These critics see policy analysts as servants of power elites that are created in modern liberal democracies. They accuse policy analysis of helping the elites, at worst, to oppress and exploit the mass public, and at best, to assist them to maintain a status quo that is unfair to the powerless. Dryzek, one of the leading critics, writes, “I will argue that most policy analysis efforts to date are in fact consistent with an albeit subtle policy science of tyranny... By tyranny...[I mean] any elite-controlled policy process that overrules the desire and aspirations of ordinary people” (1989). Danziger (1995: 447) goes further to say that “policy analysis as practiced and taught today is in danger of suppressing the democratic process and alienating the public it claims to guide and support.”

Of course, these criticisms of traditional policy analysis are not widely acknowledged, much less accepted, in schools and programs of public policy. The critical challenges to traditional policy analysis have had little influence on how policy analysis is taught or how policy research is conducted. They have been addressed dismissively in articles by Lawlor (1995) and Lynn (1999).

IV. The Post-Positivist Alternatives to Traditional Policy Analysis

If the critics of traditional policy analysis are correct, strong arguments can be made to change what is taught in most policy schools and programs. In this section, I suggest that the most radical arguments against traditional policy analysis—that it is anti-democratic—be set aside, mainly because the solution to this putative problem is found only in the replacement of liberal democracies with participatory democracies (see Dryzek [1989, 1990]), something not likely to happen soon. Instead, I focus on alternatives intended to make policy analysis, the intelligence function of public policy, more valuable for decision makers and society by improving advice.

The alternatives intended to make policy analysis more effective are based on a post-positivist framework. Guba (1985: 12) summarized the basic elements of post-positivism as follows:

[Postpositivism] asserts a relativist ontology on the assumption that all reality is mentally constructed and that there are as many realities as there are persons to contemplate them; that there are no general or universal laws that can be counted on in every situation but that the action or behavior noted in any context is uniquely determined therein; and that all elements of a context are continuously involved in “mutual simultaneous shaping” in ways that render the concept of cause-effect meaningless. Further, the emerging paradigm assumes a subjective... epistemology, so that inquirer and respondents mutually

share their construction in a hermeneutic circle throughout the inquiry and thus create the “reality” which the inquiry may finally mirror.

Advocates of post-positivist alternatives to traditional policy analysis (other than critical theorists) agree substantially on several other points: i) the main products of policy analysis and research are or should be, as Majone (1989) maintains, arguments (see Fischer [1998: 140]); ii) the job of a policy analyst is to create these arguments—consisting of evidence, information, and logic—that constitute discourse to be used by clients in democratic deliberation and decision making; and iii) a turn to post-positivism would lead to increased opportunities for stakeholders and the public to use these arguments through participation in policy analysis and decisions (deLeon 1997).

A good example of an alternative to traditional policy analysis is found in the interpretative model with policy analysis as counsel (Jennings 1987, 1993; Torgerson 1986). According to Jennings (1993):

Policy analysis as counsel searches for the middle ground between positivistic objectivity and subjectivism. Counsel can find this middle ground because the concepts and categories used in social inquiry and political argument are publicly available concepts—that is, they are drawn from a common intersubjectively meaningful set of cultural norms, traditional values, and commonsense understandings of what human beings need and how they react in various circumstances.

The discourse of counsel and consensus within policy analysis can be understood as having three basic goals: (1) to grasp the meaning or significance of contemporary problems as they are experienced, adapted to, and struggled against by reasonable, purposive agents, who are members of the political community; (2) to clarify the meaning of those problems so that strategically located political agents (public officials or policy makers) will be able to devise a set of efficacious and just solutions to them; and (3) to guide the selection of one preferred policy from a range of possible options based on a general vision of the good of the community as a whole (1993: 103–104).

From this perspective, interpretive policy analysis expands opportunities for citizens and stakeholders to provide analytic inputs, and it also involves selected stakeholders more intensively in the production of analysis. In this type of analysis, stakeholders and citizens are asked through the analytic process to help analysts fully understand the context of analysis, including the different values and interpretations of the “reality” of the stakeholders.

An interpretive analyst is no longer a scientist or quasi-scientist searching for the right answer. Instead, these analysts are “collaborators with policy

setting and policy implementers in doing the best we can in a given situation” (Guba 1985: 16). Interpretive analysts “strive to fashion an interpretation of what the public interest requires that can survive a collective process of rational assessment and deliberation” (Jennings 1987: 146).

An essential element of various post-positivist alternatives to traditional policy analysis involves analysts communicating with and assisting stakeholders and citizens to be involved in policy making. To assist with this work, different types of participatory policy analysis have been suggested (Durning 1993, Mayer 1997). These include methods to

- allow stakeholders, citizens, and others affected by a policy decision the opportunity to provide information and opinion inputs at public forums such as public hearings;
- involve stakeholders more intensively in the production of analysis (in this type of analysis, stakeholders and citizens are asked through the analytic process to help analysts fully understand the context of the analysis, including the different values and interpretations of the “reality” of the stakeholders); and
- allow stakeholders to formulate policy advice with the assistance of policy analysts (in this type of policy analysis, stakeholders transform information and opinion inputs into advice).³

The second and third types of policy analysis methods described above diverge significantly from traditional policy analysis. Compared to traditional policy analysis, they require different skills for policy analysts, the use of different methods, and a different understanding of reality. They change the analytic task from formulating expert advice to formulating advice that fits into the context of stakeholder understanding.

Most advocates of post-positivist alternatives to traditional policy analysis maintain that analysts would still need the basic statistical and microeconomic tools taught to them in policy schools, but they also would need tools for understanding stakeholder perspectives, negotiating understanding of reality, identifying influences of society and culture, facilitating the involvement of stakeholders and citizens, and providing information to stakeholders and citizens to help them engage in informed discourse about policies affecting them.

Thus, in addition to techniques of applied microeconomics and political science, analysts would need methods and knowledge borrowed from psychology, anthropology, and sociology, including nominal groups, Delphi,

3 This discussion is drawn from Durning (1993).

brainstorming, decision seminars, power sharing prototypes, policy grid analysis, Q methodology, and ethnography. They also could make use of innovations in participatory policy analysis such as science courts, scenario workshops, decision conferencing, citizen panels, citizen juries, and consensus conferences (Mayer 1997, especially chapter 4; Geurts and Mayer 1996).

V. Conclusion: Teaching Policy Analysis from the Policy Sciences Perspective

In the introduction to this paper, I raised the question of whether new schools and programs of policy analysis in Asia and the Pacific should adopt the dominant traditional policy model found in most graduate policy analysis programs in the US. To address that question, I first described three perspectives of policy analysis, including two alternatives—policy studies and policy sciences—to the traditional policy analysis perspective. Then I discussed the criticisms of the traditional policy analysis perspective, including assertions that it is ineffectual, misguided, and antidemocratic. After that, I described how critics would address the first two alleged problems—that traditional policy analysis is ineffectual and misguided—by creating a post-positivist model of policy analysis. In describing the alternative, I sketched the outlines of interpretive policy analysis and summarized differing modes of participatory policy analysis that would serve as alternatives to traditional policy analysis.

From the research reported in this paper and many years of experience as a policy researcher, I have been convinced that the post-positivist critics are at least partially correct: the traditional policy analysis perspective inadequately prepares policy analysts and researchers to provide efficacious advice on complex, messy policy issues that confront modern societies in both developed and developing countries. Traditional policy analysis is valuable for technical issues and issues for which economic efficiency is the predominant goal, but its methods are insufficient to provide the best advice possible on issues for which effectiveness, equity, or human dignity are the most important values to be maximized.

Of the two other perspectives, only the policy sciences is aimed at providing intelligence for policy makers. Fortunately, it has some strengths that make it a viable alternative to traditional policy analysis. Its greatest strength is that it easily accommodates post-positivist models of analysis aimed at improving advice. Its contextualism and problem orientation require attention to and understanding of the circumstances related to the issue being addressed. These circumstances include such things as understanding

the history of the issue, cultural variables, and social norms. The need to understand the past and present factors related to an issue can be satisfied with different types of participatory policy analysis and other post-positivist methods.

Another strong point of the policy sciences perspective is its multidisciplinary character, which means that methods from social sciences other than economics and political science are considered legitimate. Also, the search for relevant information to use in formulating advice is broadened.

That the policy sciences accommodate post-positivist perspectives does not mean that policy scientists have less regard for important norms of policy analysis and research than traditional policy analysts. To the contrary, they recognize the importance of a disinterested search for answers to important policy questions. However, they realize the impossibility of complete objectivity and the quest for one truth.

Unlike traditional policy analysts guided by the assumptions of microeconomics, policy scientists view the world as full of people with complex motivations and differing understandings of important aspects of life. Thus, they employ methods to understand complex human behavior rather than assume that policies can be formulated without regard for context, guided by simple assumptions about human motivations.

It should be noted that a policy school or program based on the policy sciences perspective would still teach microeconomics and statistics, but it also would have courses from other disciplines, such as anthropology, that would enable policy scientists to understand contexts better and would teach methodologies (such as Q methodology, ethnography, and group facilitation) and techniques (such as the design of mechanisms for participatory policy analysis) that are not offered in traditional policy analysis schools or programs.

Although no schools or programs of public policy offer a good model of the use of a policy sciences perspective, the rationale for such a program can be found in deLeon and Steelman (2001) and a proposed curriculum in deLeon and Steelman (1999).

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Power Implications of Lecture and Participatory Teaching Techniques

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I. Introduction

In this paper we will argue that in organizational and cultural situations where faculty have a great deal of power in class, they can rely on their legitimate, coercive, and inducement authority to effect obedience from their students. There is less need for them to work on their competent authority that comes from mastery of their subject matter and mastery of teaching. Relying on legitimate, coercive, and inducement authority over competent authority would seem to lead to a more authoritarian class. We argue, further, that strict lecture-style teaching, with minimal student interaction, makes it easier for teachers to limit the power of students and makes teaching easier for the teacher, while it decreases the incentives to be a good teacher. Finally, we argue that the more authoritarian the classroom, the less likely public administration students will be to learn the skills necessary for more egalitarian interactions with their peers and the public.

Following the language of the NAPSIPAG call for proposals, we first proposed the terms “Western” and “Asian” in our title. Such usage assumes that there are Asian and Western styles of teaching. No doubt there are stereotypes of Asian teaching and Western teaching. Each time the American co-author of this paper has prepared to teach public administration in an Asian setting (Hong Kong, China; Bangkok; and Beijing), he was warned that his students were unlikely to speak up in class. This comment implies that an American instructor expects students to participate and that Asian instructors do not share that expectation. While people may generalize about Western and Asian teaching methods, we know that there are Western faculty whose teaching styles fit much more closely into the assumed Asian models. There are also Asian faculty who use the assumed Western styles. Rather than get mired in debates about whether these stereotypes are accurate, we think it more appropriate to focus on the objective techniques—

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lecture style and participatory style—rather than on whether they are Western or Asian.

First, we will define the teaching styles. Second, we will discuss Dennis Wrong's forms of power, which we will use to discuss the forms of power teachers use in classrooms. Third, we will raise some larger contextual issues such as the goals of teaching public administration, student views of teaching, and the other stakeholders beyond the faculty members and the students. Before we go further, though, we wish to acknowledge that our collective experience in Asian universities is limited to the People's Republic of China and Thailand. Our collective experience in Western universities is limited to the United States, England, and Germany. Thus, we see this as opening a discussion among faculty (and students) with a wider range of experiences in different Asian and Pacific educational settings, and hope that our colleagues fill in the many blanks we must leave.

II. The Different Teaching Styles

A. The Lecture Method

The teacher stands in front of the class and delivers a set of lessons to the students. The students' participation ranges from none, to asking some clarifying questions. The basic assumption here is *tabula rasa*; the student is an empty slate that the teacher writes on. Using a different metaphor, the student is an empty vessel that the teacher fills with knowledge. Students' learning is evaluated through tests, commonly testing the whether the students' vessels have been filled with the teacher's knowledge. An Asian model for this is a classical Chinese student studying Confucian philosophy with a master, memorizing vast amounts of Confucian text, and finally demonstrating his mastery in grueling exams in which the students write lengthy quotations from memory (Smith 1983: 61).

B. Participatory Methods

The teacher uses a variety of methods in which the student is required to think about things and come to understandings, not through listening to the teacher's wisdom, but through working out the problems themselves. Here the basic assumption is that the student comes to class with an active brain and has learned a great deal already through life experiences. The student

is recognized as someone with knowledge and skills that may be different from the teacher's, and the teacher's job is to facilitate the student's learning in a specific area. The classic Western model for this is the Socratic method developed by the Greek philosopher Socrates. The teacher asks the students questions rather than telling them answers. Additional participatory methods include simulations, role playing, case study analysis, internships, and community involvement projects.

More recently, Malcolm Knowles (1984) used the word *andragogy* (teaching of adults) to contrast with the term *pedagogy*. He argues that teaching adults requires a different method from teaching children. Adults should be in charge of their own learning. Participatory methods emphasize thinking skills, so that students discover for themselves the "truths" the class has to offer. The teacher is a guide who constructs environments and exercises that facilitate learning.

C. Real Teaching

It is our experience that most real teaching practices do not fall into one category or another, but display a variety of combinations along a continuum from only lecture to only participation (Figure 1). We believe most teaching would fall on the left side of the continuum, with lecture styles predominating, but mixed with varying amounts of participation from students, to questions to students, to small group discussions and exercises.

III. Power and Teaching

A. Wrong's Forms of Power

Dennis Wrong (1979) identifies four forms of power that are distinguished by the reasons the power subject complies with the power holder. The four are force, persuasion, manipulation, and authority. When a power subject complies with the wishes of the power holder because of the logical reasoning and presentation of facts, Wrong calls this persuasion. Wrong's authority occurs

Figure 1. The teaching Continuum

Lecture ← ----- → Participation

when the power subject complies because of who the power holder is. He offers us five subforms of authority: personal, legitimate, coercive, inducement, and competence. You would comply with your best friend because of personal authority; with a police officer because of legitimate authority (because through rational, legal processes this person has become an officer) or coercive authority (the officer has the power to begin the process of fining you or even imprisoning you); your boss because of inducement authority (when he offers a bonus for extra work); and the doctor because of competent authority. Force and manipulation tend to break Wrong's rule because the power subject is actually not complying. In the case of force, the power subject has no choice. In the case of manipulation, the power holder gets the power subject to follow his will, but without the power subject's awareness of the power holder's role. In fact, the power subject believes he is making a decision of his own free will. In actual situations, various forms of power may be used simultaneously. Let's look at the forms of power used by teachers.

B. Forms of Power Used by Teachers

Force is rarely used by teachers, except in the lower grades. Manipulation is basically deceptive, because the power holder hides his role in the situation, and thus is a form of power that normally does not have a legitimate role in higher education. This does not mean that teachers do not use Wrong's manipulation, however; we see its legitimate use limited to situations where teachers temporarily set up conditions that conceal their intent as a form of learning technique and after which the students will be told what has happened. This is commonly the case in experiential exercises.

Persuasion is being used when teachers cause students to follow their instructions using logic. The students see that something is in their best interests and so they do as they are told. Teachers tend to use all five forms of authority. Teachers have legitimate authority, in that they have qualified for their jobs and are part of the university system. Teachers have coercive authority, in that they can mete out punishments such as poor grades and possibly expulsion from the school. They have inducement authority, in that they can offer good grades, letters of recommendation, and other benefits. When students follow a teacher's instructions because the teacher has such obvious mastery of the subject matter and/or such an inspiring way of presenting the information, competent authority is being used. Personal authority means a student has some sort of bond to an individual teacher that causes him or her to follow that teacher.

Manipulation is a more complex form of power. The power subject is not aware of the power holder's role. Often the power holder sets up an environment where the power subject makes what seem like free choices, though those choices have been structured by the power holder. A teacher might give a choice of two questions on an exam, but make one of the questions so difficult that the students will choose the other one. Teachers might set up learning exercises in which the student is asked to perform one task, but is being observed on another task. Most complex, and often used unconsciously by the teacher, is the appeal to culturally conditioned behaviors. Commercial advertising does this all the time: appealing to patriotism, to improving one's sex appeal, and to various images of success. When teachers set up environments in which students' culturally induced obedience is unconsciously called upon, this is perhaps the strongest form of manipulation.

Teachers can use all these forms of power in both lecture and participatory teaching styles. As we go through the forms of power, we see that other factors, besides teaching style, must also be considered. In addition to forms of power, which depend on the reason the power subject complies, Wrong discusses sources of power. These are resources the power holder can bring to the situation and affect what types of power he can use. As we review the forms of power teachers use, we will also discuss some of the sources of power that may or may not be available in different organizational settings that also affect a teacher's power in the classroom.

C. Wrong's Sources of Power

Wrong's model of power is unique, in that the forms of power focus, not on the power holder, but on the reasons why power subjects comply. The implication is that power is reciprocal, not a one-way relationship, though he tells us that most power relationships are asymmetrical. However, he also looks at characteristics of the power holder that give him or her power. He calls these sources of power and divides them into collective and individual. Individual characteristics can range from wealth to good looks to skill. There is a certain amount of overlap here with competent and personal authority, so we won't dwell on this aspect. We think it is useful here to discuss collective sources of power. Wrong divides this concept into solidarity and organization. The first involves a unity of purpose that, say, a country might feel if its national team is competing for the World Cup. The second involves the power that comes from the organizational structures people develop. Clearly, a main source of all power for teachers is the organizational structure of their university that gets their students, finds their classrooms, pays their salary, and gives

the credits and awards the degrees that the students seek and employers require.

Societal organization also becomes a source of power. In societies where access to university is limited, students will be limited to those who are designated the best, usually through tests. Yet these “best” students, because of high competition for places in the university, can also be very compliant students. When the power is held closely by teachers and administration, students can be controlled, because the costs of deviance are very high. In societies where post-secondary schooling options are numerous, students have second chances. They can make mistakes, they can challenge authority, because they have alternative opportunities if they get into trouble.

The availability of what are perceived as good work opportunities is also an important factor here. In societies in which the possession of a good university degree is the ticket to a good job, universities are perceived as the gatekeepers to jobs. Passing one’s classes can become more important than learning. Ideally, a degree is merely a certificate that a student has gained certain skills, knowledge, and abilities that qualify him or her to do particular kinds of work. But when the value of the degree becomes more important than the learning it represents, family and other social pressures bear heavily on students to succeed, the intrinsic value of the learning loses importance to getting the degree, and behaviors such as cheating are likely to increase. Influential parents of students can also put pressure on teachers to pass their children even though they aren’t doing good work.

In settings where entrance to university is extremely competitive, and where a university degree is a ticket to a better life, the teacher’s coercive and inducement authority are more effective. Because the stakes of success or failure in a particular class are higher, the students will be more likely to obey a teacher’s instructions. However, when the stakes are higher, the incentive to cheat in order to reach one’s goals is also greater. Cultural norms that give a great deal of respect to teachers and strongly disapprove of challenging people in positions of authority also increase a teacher’s power.

With this in mind, let us return now to the power differences between lecture and participatory styles of teaching.

D. Lecture Method

The lecture method assumes a finite, learnable body of knowledge and the teacher is the gatekeeper between the student and that knowledge. The teacher doles out measured portions of the guarded knowledge at each lecture. Without the teacher, the student cannot gain access to knowledge. In a

setting where books were scarce or nonexistent, knowledge was passed on orally, and so access to the traditional stories and technologies of survival did require access to older, wiser members of the community. Thus, to the extent that the teacher's knowledge is seen as valuable, that knowledge is a source of power. Teachers can require payment (salary) for knowledge; they can demand obedience as a condition for learning. This can also be corrupted to a situation where teachers get paid, not for knowledge, but for passing classes.

In a modern college classroom, the lecture method has other benefits for the teacher. It is the teacher who sets the agenda, who picks the topics to be discussed. If it is understood that questions are limited to clarifications of the lecture, teachers are never surprised by questions they cannot answer and their wisdom is never challenged. Students graduating from this sort of environment have learned a strict hierarchical structure with asymmetrical power relationships.

E. Participatory Methods

Participatory methods change the power relationship between the student and the teacher. The teacher no longer is the sole possessor of the knowledge. The students are learning that they can discover "truths" through critical thinking on their own. They are encouraged to ask difficult and probing questions. Most important, perhaps, is the idea that one must always be thinking and questioning, never accepting the givens. The teacher must give up a certain amount of control of the class as student responses require the teacher to respond to the unexpected.

Participatory methods do not produce obedient graduates. Rather, they produce graduates who recognize that no one has a monopoly on the truth, who question everything, and who believe they have a right to participate in important organizational decisions.

IV. Conclusions

In most classroom settings, teachers have significantly more power than do students, yet students do have power, and in some classes they have much more than in others. Our argument is that the more power teachers have in relation to the students, the easier it is for them to rely on their legitimate, coercive, and inductive authority. Students obey them because teachers have authority to reward and punish them. In classes where teachers have relatively less power, they must rely more on persuasion and competent

authority, that is, they have to know their subject matter better and they have to be better at getting their ideas across to students and inspiring them to want to learn. Many factors besides teaching style affect how much power a teacher has in class. However, all things being equal, in classes where teachers have less power, they have to be more competent teachers, because they cannot rely on students' simple obedience to their legitimate, coercive, and inductive authority.

Further, in today's world, access to books, the Internet, and other technology means that students can get knowledge in different places. Most faculty do not have the time or resources to develop great lectures for every class. For many students, alternative available media provide a more interesting and efficient way to learn than sitting in a strict lecture format, with little or no interaction. A teacher's main advantage over the other sources of knowledge is face-to-face interaction: the ability to answer students' questions, to set up experiences that help students understand the material and develop their critical analysis skills.

Thus, we believe that teachers find lecture classes far more comfortable than participatory classes for two reasons. The first is that the lecture style is what most teachers had as students and it is the model they learned. Second, lecture classes reserve much more power for teachers, meaning they can rely on their authority to get student compliance. The unfortunate side effect of this is that as they rely on their authority, the need to develop their competence becomes less important. Furthermore, when the teacher explicitly acknowledges that students have the power to know things, even independently of the teacher, students gain a sense of their power and the power of others. Finally, we believe that students who experience more authoritarian teaching are less likely to learn the skills necessary for more egalitarian interactions and organizations. Thus, public administration students from more authoritarian teaching settings are more likely to be more authoritarian in their professional roles.

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